CIRCULAR DATED 14 JUNE 2022

THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE RECOMMENDING DIRECTORS AND THE ADVICE OF THE IFA. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by 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, accountant, solicitor, tax adviser or other professional adviser immediately. All capitalised terms used and not defined herein shall have the same meanings ascribed to them in the Circular.

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

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

HWA HONG CORPORATION LIMITED

(Company Registration Number: 195200130C)
(Incorporated in Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by

OVERSEA-CHINESE BANKING CORPORATION LIMITED
(Company Registration Number: 193200032W)
(Incorporated in Singapore)

for and on behalf of

SANJURO UNITED PTE. LTD.
(Company Registration Number: 202003823M)
(Incorporated in Singapore)

to acquire all the issued and paid-up Shares in the capital of the Company other than any Shares held in treasury and those Shares held, directly or indirectly, by Sanjuro United Pte. Ltd. as at the date of the Offer

Financial Adviser to the Company

EVERCORE

Evercore Asia (Singapore) Pte. Ltd.
(Company Registration Number: 201321328D)
(Incorporated in the Singapore)

Independent Financial Adviser to the Recommending Directors

PROVENANCECAPITAL

PROVENANCE CAPITAL PTE. LTD.
(Company Registration Number: 200309056E)
(Incorporated in Singapore)

ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT 5.30 P.M. (SINGAPORE TIME) ON TUESDAY, 28 JUNE 2022 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

TABLE OF CONTENTS

		PAGE
DEFINITIONS		2
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS		8
SUMMARY TIMETABLE		9
LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS		10
1.	INTRODUCTION	10
2.	THE OFFER	11
3.	INFORMATION ON THE OFFEROR AND THE OFFEROR CONSORTIUM	14
4.	IRREVOCABLE UNDERTAKINGS	16
5.	RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY	17
6.	LISTING STATUS AND COMPULSORY ACQUISITION	23
7.	CONFIRMATION OF FINANCIAL RESOURCES	24
8.	DISCLOSURES OF THE OFFEROR'S INTERESTS IN COMPANY'S SECURITIES, DEALINGS IN COMPANY'S SECURITIES, UNDERTAKINGS AND OTHER ARRANGEMENTS	24
9.	RESPONSE TO OFFEROR'S STATEMENTS RELATING TO ITS INTENTIONS FOR THE COMPANY	26
10.	ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER	30
11.	ACTION TO BE TAKEN BY SHAREHOLDERS	33
12.	OVERSEAS PERSONS	33
13.	INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS	35
14.	DIRECTORS' RESPONSIBILITY STATEMENT	36
APPENDIX I	LETTER FROM PROVENANCE CAPITAL TO THE RECOMMENDING DIRECTORS	I-1
APPENDIX II	ADDITIONAL GENERAL INFORMATION	II-1
APPENDIX III	RELEVANT PROVISIONS IN THE CONSTITUTION OF THE COMPANY	III-1
APPENDIX IV	AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2021	IV-1
APPENDIX V	VALUATION REPORTS AND/OR CERTIFICATES	V-1

DEFINITIONS

GENERAL

"2022 AGM"	:	AGM of the Company held on 18 April 2022
"Additional Irrevocable Undertaking"	:	Shall have the meaning ascribed to it in Section 4 of this Circular
"AGM"	:	Annual general meeting of the Company
"Board"	:	Board of Directors of the Company
"Business Day"	:	A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
"Business Strategy Review"	:	Shall have the meaning ascribed to it in Section 9 of this Circular
"Circular"	:	This circular to Shareholders dated 14 June 2022 in relation to the Offer setting out, *inter alia*, the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Offer
"Closing Date"	:	5.30 p.m. (Singapore time) on Tuesday, 28 June 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
"Code"	:	The Singapore Code on Take-overs and Mergers
"Companies Act"	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
"Company Securities"	:	(i) Shares; (ii) securities which carry voting rights in the Company; or (iii) convertible securities, warrants, options or derivatives in respect of Shares or securities which carry voting rights in the Company
"Constitution"	:	The constitution of the Company
"Consortium Irrevocable Undertakings"	:	Shall have the meaning ascribed to it in Section 3.6 of the Offer Document
"CPF Agent Banks"	:	Agent banks included under the CPFIS
"CPFIS"	:	Central Provident Fund Investment Scheme
"CPFIS Investors"	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
"Current Ong Directors"	:	Mr Ong Eng Loke, Dr Ong Eng Hui David, Mr Ong Eng Keong and Mr Ong Mui Eng
"Directors"	:	The directors of the Company as at the Latest Practicable Date, namely, Mr Ong Eng Loke, Dr Ong Eng Hui David, Mr Ong Eng Keong, Mr Ong Mui Eng and Mr Huang Yuan Chiang, and "*Director*" means any one of them
"Distributions"	:	Shall have the meaning ascribed to it in Section 2.1(c) of this Circular
"Encumbrances"	:	Shall have the meaning ascribed to it in Section 2.1(c) of this Circular

"Exercise"	:	Shall have the meaning ascribed to it in Section 10.6 of this Circular
"FAA"	:	Form of Acceptance and Authorisation for Offer Shares which forms part of the Offer Document and which is issued to Shareholders whose Shares are deposited with CDP
"FAT"	:	Form of Acceptance and Transfer for Offer Shares which forms part of the Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
"FY"	:	Financial year ended or ending on (as the case may be) 31 December of a particular year as stated
"FY2021 Annual Report"	:	The annual report of the Company for FY2021 published on SGXNET on 25 March 2022
"FY2021 Dividend"	:	Shall have the meaning ascribed to it in Section 2.1(c) of this Circular
"IFA Letter"	:	The letter dated 14 June 2022 from the IFA to the Recommending Directors in respect of the Offer as set out in Appendix I to this Circular
"Independent Reviewer"	:	Shall have the meaning ascribed to it in Section 9 of this Circular
"Latest Practicable Date"	:	7 June 2022, being the latest practicable date prior to the printing of this Circular, save that where parts of the Offer Document (including the letter from OCBC to the Shareholders in the Offer Document) are reproduced, references to the "Latest Practicable Date" in such reproduction shall mean the Offer Document LPD
"Listing Manual"	:	The listing manual of the SGX-ST
"Market Day"	:	A day on which the SGX-ST is open for trading of securities
"Minimum Acceptance Condition"	:	Shall have the meaning ascribed to it in Section 2.2 of this Circular
"Nominating Committee"	:	The nominating committee of the Board
"Notice of Compliance"	:	The notice of compliance issued by the SGX RegCo on 6 May 2022 to the Company requiring it to, *inter alia*: (a) appoint independent professionals to undertake an independent review as directed by SGX RegCo of the terms of reference of the Nominating Committee and the Company's internal controls, processes and practices relating to the board nomination process, and to make recommendations on improvements; (b) subject all its proposed appointments of new directors to the review of the Independent Reviewer and to announce the Independent Reviewer's basis for the recommendations and suitability and independence (if applicable) of such appointments; and (c) to announce the findings and recommendations of the Independent Reviewer
"Offer"	:	The Original Offer as revised by the Revised Offer Announcement

"Offer Announcement"	:	The announcement issued by OCBC on the Offer Announcement Date, for and on behalf of the Offeror, in relation to the Offer
"Offer Announcement Date"	:	17 May 2022
"Offer Document"	:	The offer document dated 31 May 2022 issued by OCBC, for and on behalf of the Offeror, in respect of the Offer and any other document(s) which may be issued by OCBC, for and on behalf of the Offeror, to amend, revise, supplement or update the offer document from time to time
"Offer Document LPD"	:	24 May 2022, stated in the Offer Document to be the latest practicable date prior to the date of the Offer Document
"Offer Shares"	:	Shall have the meaning ascribed to it in Section 2.1(b) of this Circular
"Offeror Consortium"	:	Means the Offeror and its shareholders, which includes Ely Investments (Pte) Ltd., Ergonomix Ltd. (as General Partner for and on behalf of Ergonomix, L.P.), Crystalic Star Global Limited and Roswell Assets Limited
"Offeror Securities"	:	(i) securities which carry voting rights in the Offeror; or (ii) convertible securities, warrants, options or derivatives in respect of securities which carry voting rights in the Offeror
"Original Offer"	:	The voluntary conditional cash offer by OCBC, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, details of which are set out in the Offer Document
"Original Offer Price"	:	S$0.37 in cash for each Offer Share
"Overseas Persons"	:	Shareholders whose mailing addresses are outside Singapore, as shown on the Register or, as the case may be, in the Depository Register
"Recommending Directors"	:	The directors of the Company who are considered to be independent for the purposes of the Offer, namely Mr Ong Eng Loke, Dr Ong Eng Hui David, Mr Ong Eng Keong, Mr Ong Mui Eng and Mr Huang Yuan Chiang
"Record Date"	:	Shall have the meaning ascribed to it in Section 2.1(c) of this Circular
"Register"	:	The register of members of the Company, as maintained by the Share Registrar
"Revised Offer Announcement"	:	Shall have the meaning ascribed to it in Section 1.3 of this Circular
"Revised Offer Notification"	:	Shall have the meaning ascribed to it in Section 1.3 of this Circular
"Revised Offer Price"	:	S$0.40 in cash per Offer Share
"Securities Account"	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account
"SFA"	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
"Shareholders"	:	Holders of Shares (including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST)

"Shares"	:	Issued and paid-up ordinary shares in the capital of the Company
"SRS"	:	Supplementary Retirement Scheme
"SRS Agent Banks"	:	Agent banks included under the SRS
"SRS Investors"	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
"Subject Properties"	:	The properties held by the Group or its associates (as the case may be) at the following locations: (a) 20 Midtown, 2-28 Procter Street, London WC1V 6NX; (b) 20 Garrett Street, London, EC1Y 0TW; (c) Former Head Post Office, Fitzalan Square, Sheffield, S1 1AB; (d) 93 Robertson Quay, #39-05, Rivergate, Singapore, 238255; (e) 95 Robertson Quay, #01-17/18/19/20, Rivergate, Singapore, 238256; (f) Unit A, Neo Bankside, 52 Holland Street, London, United Kingdom, SE1 9FU; (g) Unit B, Neo Bankside, 60 Holland Street, London, United Kingdom, SE1 9JF; (h) Unit C (North), Neo Bankside, 70 Holland Street, London, United Kingdom, SE1 9NX; (i) Unit C (South), Neo Bankside, 72 Holland Street, London, United Kingdom, SE1 9NX; (j) Unit D, Neo Bankside, 3 Sumner Street, London, United Kingdom, SE1 9RE; (k) Block E, Neo Bankside, 118-122 Southwark Street, London United Kingdom, SE1 0SW; (l) 400 Orchard Road, #11-09/10 Orchard Towers, Singapore 238875; (m) Flat 2, 15-17 Hornton Street, London W8 7NP, United Kingdom; (n) Flat 2, 115B Queen's Gate, London SW7 5LP, United Kingdom; (o) Raffles Lodge, 1A Manson Place, London SW7 5LT, United Kingdom; (p) Kilmuir House, Ebury Street, London SW1W 8TH, United Kingdom; (q) Allen House, 8 Allen Street, London W8 6BH, United Kingdom; (r) The Grain House, 46 Loman Street, London, SE1 0EH, United Kingdom;

(s) 186 City Road, London EC1V 2NU, United Kingdom;

(t) 110 Paya Lebar Road, Oneten Paya Lebar, Singapore 409009;

(u) Development sites known as Lots 2706N & 2847M of Town Subdivision 17 at Jalan Besar, Singapore;

(v) 51 Scotts Road, Scotts Spazio, Singapore 228241;

(w) 38 & 40 South Bridge Road, Singapore 058672/058674;

(x) 36 unsold units within Orchard Medical Specialists Centre at 304 Orchard Road Level 5, Lucky Plaza Singapore 238863; and

(y) 400 Orchard Road, #20-06/07/08 Orchard Towers, Singapore 238875

"S$" and "cents"	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
"Valuation Reports and/or Certificates"	:	The valuation reports and/or certificates issued by the Valuers in respect of the Subject Properties in connection with the Offer, as set out in Appendix V to this Circular
"Valuers"	:	The independent valuers appointed by the Company for the purposes of carrying out the valuation of the Subject Properties in connection with the Offer, being:

(a) CBRE Pte. Ltd.;

(b) Gerald Eve LLP;

(c) Savills; and

(d) Allied Appraisal Consultants Pte Ltd

"%" or "per cent."	:	Percentage or per centum

COMPANIES / ORGANISATIONS

"ACRA"	:	Accounting and Corporate Regulatory Authority of Singapore
"CDP"	:	The Central Depository (Pte) Limited
"Company"	:	Hwa Hong Corporation Limited
"CPF"	:	Central Provident Fund
"FA" or "Evercore"	:	Evercore Asia (Singapore) Pte. Ltd., the appointed financial adviser to the Company
"Group"	:	The Company and its subsidiaries
"IFA" or "Provenance Capital"	:	Provenance Capital Pte. Ltd., the appointed independent financial adviser to the Recommending Directors in respect of the Offer
"OCBC"	:	Oversea-Chinese Banking Corporation Limited
"Offeror"	:	Sanjuro United Pte. Ltd.

"Savills"	:	Savills Advisory Services Limited
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"SGX RegCo"	:	Singapore Exchange Regulation Pte. Ltd.
"Share Registrar"	:	Boardroom Corporate & Advisory Services Pte. Ltd.
"SIC"	:	Securities Industry Council of Singapore
"SWC"	:	Singapore Warehouse Company (Private) Ltd., a wholly-owned subsidiary of the Company

Unless otherwise defined, the terms "**acting in concert**" and "**associates**" shall have the meanings ascribed to them in the Code.

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

References to "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

References to "**you**", "**your**" and "**yours**" in this Circular are, as the context so determines, to Shareholders.

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

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall include the other gender. References to persons shall, where applicable, include corporations.

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 Listing Manual or the Code or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Listing Manual or the Code or any modification thereof, as the case may be, unless the context otherwise requires.

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

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

References in this Circular to the total number of issued Shares are based on 652,661,100 Shares (excluding 842,900 Shares held by the Company as treasury shares) as at the Latest Practicable Date, based on a search conducted with ACRA, unless the context otherwise requires. Unless otherwise specified, all references to a percentage shareholding in the capital of the Company in this Circular are based on 652,661,100 Shares in issue as at the Latest Practicable Date based on a search conducted with ACRA.

Capitalised terms used in extracts of the Offer Document, IFA Letter, the Constitution and the Valuation Reports and/or Certificates set out in this Circular within quotes and italics shall have the same meanings as ascribed to them in the Offer Document, IFA Letter, the Constitution and the Valuation Reports and/or Certificates, respectively.

Rajah & Tann Singapore LLP has been appointed as the Singapore legal adviser to the Company in relation to the Offer.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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

SUMMARY TIMETABLE

Date of despatch of Offer Document	:	Tuesday, 31 May 2022
Date of issuance and electronic dissemination of Circular	:	Tuesday, 14 June 2022
Date of despatch of printed copies of Circular	:	Thursday, 16 June 2022
Closing Date	:	5.30 p.m. (Singapore time) on Tuesday, 28 June 2022 or such later date(s) as may be announced from time to time, by or on behalf of the Offeror
Date of settlement of consideration for valid acceptances of the Offer	:	(a) In respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within seven (7) Business Days of that date; or (b) in respect of acceptances which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but before the Offer closes, within seven (7) Business Days of the date of such receipt

HWA HONG CORPORATION LIMITED

(Company Registration Number: 195200130C)
(Incorporated in Singapore)

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

Board of Directors

Ong Eng Loke	*(Non-Independent Executive Director and Acting Group Managing Director)*
Ong Mui Eng	*(Non-Independent and Executive Director)*
Ong Eng Hui David	*(Non-Independent and Non-Executive Director)*
Ong Eng Keong	*(Non-Independent and Non-Executive Director)*
Huang Yuan Chiang	*(Non-Independent and Non-Executive Director)*

Registered Office

38 South Bridge Road
Singapore 058672

14 June 2022

To: The Shareholders of Hwa Hong Corporation Limited

Dear Sir/Madam

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

1. INTRODUCTION

1.1 Offer Announcement

On the Offer Announcement Date, OCBC announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional cash offer for all the issued and paid-up ordinary Shares, other than any Shares held in treasury and those Shares held, directly or indirectly, by the Offeror as at the date of the Offer, at the Original Offer Price.

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

1.2 Offer Document

Shareholders should have by now received a copy of the Offer Document, as announced by OCBC, for and on behalf of the Offeror, to have been despatched on 31 May 2022, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of the Offer Document.

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

1.3 Revised Offer Announcement

On 7 June 2022, OCBC announced, for and on behalf of the Offeror, *inter alia*, the revision of the Original Offer Price to the Revised Offer Price ("**Revised Offer Announcement**").

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

According to the Revised Offer Announcement, a written notification ("**Revised Offer Notification**") will be despatched to all Shareholders in respect of the Revised Offer Price.

Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document, the Revised Offer Announcement and the Revised Offer Notification carefully.

1.4 **Financial Adviser**

Evercore has been appointed as the exclusive financial adviser to the Company.

1.5 **Independent Financial Adviser**

Provenance Capital has been appointed as the independent financial adviser to the Recommending Directors in respect of the Offer.

1.6 **Purpose of Circular**

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Offer.

Shareholders should read the Offer Document, the Revised Offer Announcement, the Revised Offer Notification, this Circular and the IFA Letter set out in Appendix I to this Circular carefully and consider the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors in respect of the Offer before deciding whether or not to accept the Offer.

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

2. THE OFFER

2.1 **Offer Terms**

Based on the information set out in the Offer Document, OCBC has, for and on behalf of the Offeror, made the Offer for all the Offer Shares, on the terms and subject to the conditions set out in the Offer Document (as revised in the Revised Offer Announcement), the FAA and the FAT, on the following basis:

(a) **Revised Offer Price**

For each Offer Share: S$0.40 in cash, being the Revised Offer Price.

The Offeror has stated in the Revised Offer Announcement that it does not intend to revise the Revised Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

Shareholders who have earlier accepted the Offer are entitled to the Revised Offer Price, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms.

(b) **Offer Shares**

The Offer is extended, on the same terms and conditions, to all the Shares, other than those Shares held in treasury and those Shares held, directly or indirectly, by the Offeror, as at the date of the Offer (the "**Offer Shares**").

(c) **No Encumbrances**

The Offer Shares will be acquired (i) fully paid-up, (ii) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"), and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights, other distributions or return of capital ("**Distributions**"), if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

Without prejudice to the generality of the foregoing, the Original Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distributions that may be declared, made or paid by the Company on or after the Offer Announcement Date (excluding the final one-tier tax exempt dividend of one (1) Singapore cent per Share for FY2021 proposed by the directors of the Company (the "**FY2021 Dividend**")). **In the event that any Distribution (other than the FY2021 Dividend) is or has been paid by the Company to a Shareholder who accepts or has accepted the Offer and the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the record date for the determination of entitlements to such Distribution ("Record Date"), the Revised Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution paid or made by the Company to such accepting Shareholder.**

For the avoidance of doubt, the Shareholders will retain the FY2021 Dividend in addition to receiving the Revised Offer Price.

In respect of the FY2021 Dividend, the Company announced that the record date was 5 May 2022 and the FY2021 Dividend has been paid on 19 May 2022.

Based on the Revised Offer Announcement, save as revised therein, all the other terms and conditions of the Original Offer as set out in the Offer Document remain unchanged.

2.2 **Conditional Offer**

The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with the Offeror holding more than 50% of the total number of Shares (excluding any Shares held in treasury) as at the close of the Offer (the "**Minimum Acceptance Condition**").

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

2.3 **Warranty**

Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) fully paid-up, (b) free from all Encumbrances, and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all Distributions (other than the FY2021 Dividend), if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

2.4 **Duration of the Offer**

(a) **Closing Date**

Except insofar as the Offer may be withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document.

As stated in the Revised Offer Announcement, pursuant to Rule 20.1 of the Code, the Offer must be kept open for at least 14 days from the date of posting of the written notification of revision to Shareholders. It was also stated that the Revised Offer Notification will be posted to all Shareholders in respect of the Revised Offer Price and the Offer will remain open for acceptance for not less than 14 days from the date of posting of the Revised Offer Notification.

As at the Latest Practicable Date, the Revised Offer Notification has not been posted to Shareholders. According to the Revised Offer Announcement, the Offer will close at 5.30 p.m. (Singapore time) on 28 June 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

(b) **Offer to Remain Open for 14 Days After Being Declared Unconditional as to Acceptances**

Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared unconditional as to acceptances, the Offer will remain open for acceptance for not less than 14 days after the date on which it would otherwise have closed, in order to give those Shareholders who have not accepted the Offer the opportunity to do so. This requirement does not apply if, before the Offer has become or is declared to be unconditional as to acceptances, the Offeror has given notice in writing to Shareholders at least 14 days before the specified Closing Date that the Offer will not be open for acceptance beyond that date, provided that such notice may not be given, or if already given, shall not be capable of being enforced in a competitive situation.

(c) **Final Day Rule**

Pursuant to Rule 22.9 of the Code, the Offer (whether revised or not) will not be capable of becoming or being declared unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the date of posting of the Offer Document or of being kept open after the expiry of such period, unless it has previously become or been declared to be unconditional as to acceptances, except with the prior approval of the SIC. The SIC will consider granting such permission in circumstances, including but not limited to, where a competing offer has been announced.

(d) **Revision**

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

(e) **Subsequent Closing Date(s)**

If there is an extension of the Offer, pursuant to Rule 22.4 of the Code, any announcement of an extension will state the next closing date or if the Offer is unconditional as to acceptances, a statement may be made that the Offer will remain open until further notice. In the latter case, those Shareholders who have not accepted the Offer will be notified in writing at least 14 days before the Offer is closed.

2.5 **Details of the Offer**

Appendix IV to the Offer Document sets out further details on (a) the settlement of the consideration for the Offer, (b) the requirements relating to the announcement of the level of acceptances of the Offer, and (c) the right of withdrawal of acceptances of the Offer.

2.6 **Procedures for Acceptance**

The procedures for acceptance of the Offer are set out in Appendix V to the Offer Document.

3. INFORMATION ON THE OFFEROR AND THE OFFEROR CONSORTIUM

The information on the Offeror and the Offeror Consortium set out in italics below has been extracted from Section 3 of the Offer Document. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

*"**3.1 The Offeror***

*The Offeror is a special purpose vehicle incorporated in Singapore on 3 February 2020. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital comprising 100 ordinary shares, which is held by the shareholders (the "**Consortium**") as follows:*

Shareholder of the Offeror	***Shareholding Percentage (%)***
*Ely Investments (Pte) Ltd. ("**EIPL**")*	*30.00*
*Ergonomix Ltd. (as General Partner for and on behalf of Ergonomix, L.P.) ("**EL**")*	*29.00*
*Crystalic Star Global Limited ("**CSGL**")*	*29.00*
*Roswell Assets Limited ("**RAL**")*	*12.00*

The board of directors of the Offeror comprises:

(a) OEY, a director appointed by EIPL;

(b) GC, a director appointed by EL;

(c) KC, a director appointed by CSGL; and

(d) VP, a director appointed by RAL.

***APPENDIX I** to this Offer Document sets out certain additional information on the Offeror.*

3.2 EIPL

EIPL is a private limited company incorporated under the laws of Singapore on 28 November 1980. EIPL is wholly-owned by OCE and his family (including his son, OEY). OCE and OEY are substantial shareholders of the Company. OCE was previously the Group Managing Director and retired in 2021 from this position. OEY joined the Company as Manager for Investments on 1 August 2008. OEY was subsequently appointed as the Chief Operating Officer and thereafter, the Acting Group Managing Director of the Company. OEY relinquished his role as the Acting Group Managing Director of the Company on 18 April 2022.

3.3 EL

*EL is an exempted company with limited liability incorporated under the laws of the Cayman Islands on 22 January 2020. EL is acting as general partner for and on behalf of Ergonomix, L.P.. EL, through Diamond GP Holdings II Ltd., is wholly-owned by Dymon Asia Private Equity (S.E. Asia) II Ltd., which is acting as general partner for and on behalf of Dymon Asia Private Equity (S.E. Asia) Fund II, L.P. (the "**Dymon Fund**"). The limited partners of Ergonomix, L.P. are Dymon Asia Private Equity (S.E. Asia) Fund II Pte. Ltd. and M3 Capital Pte. Ltd.. The Dymon Fund has committed funds of US$450 million and is managed by Dymon Asia Private Equity (Singapore) Pte. Ltd., which is a Singapore-based fund manager licensed by the Monetary Authority of Singapore. GC is a founding partner of Dymon Asia Private Equity. M3 Capital Pte. Ltd. is a private limited company incorporated under the laws of Singapore on 13 July 2015 and is wholly-owned by Mr Goh Tiong Yong and his family.*

3.4 CSGL

CSGL is a limited company incorporated in the British Virgin Islands on 4 January 2022. CSGL is a wholly-owned subsidiary of Zen Capital, a private limited company incorporated in Singapore on 31 October 2018. The sole shareholder of Zen Capital is KC. The principal activity of each of CSGL and Zen Capital is investment holding.

KC is a senior investment professional and investor with approximately 20 years' investment experience in Asian real estate securities, covering research, portfolio management and investment strategy. He is currently the Chief Investment Officer and Managing Director of a private family office.

3.5 RAL

RAL is a limited company incorporated in the British Virgin Islands on 5 April 2004. The shareholders of RAL are VP and Ms. Yee Chin Shiar.

VP is currently the Group Managing Director of the Newfields Group, a holding company with principal activities in corporate finance, real estate development, and investment. He is also the Managing Director of Marloes Asset Management Pte Ltd, a private family office. VP can leverage his expertise in and understanding of the real estate industry and 23 years of investment experience in public and private equities. Ms. Yee Chin Shiar is a high net worth individual.

3.6 Consortium Arrangements

*The Consortium and the Offeror had, on the Offer Announcement Date, entered into the following arrangements (collectively, the "**Consortium Arrangements**"):*

(a) a consortium and shareholders' agreement to, amongst others, regulate the relationship of the Consortium inter se as shareholders of the Offeror and in the conduct of the business and affairs of the Offeror (including the Offer); and

*(b) each of the members of the Consortium and its/his concert parties listed below has executed an irrevocable undertaking (collectively, the "**Consortium Irrevocable Undertakings**" and each, a "**Consortium Irrevocable Undertaking**"):*

Shareholder	***No. of Shares to be tendered in acceptance of the Offer***	***Shareholding Percentage (%)[1]***
EIPL		
OCE	*3,178,000*	*0.49*
OEY	*5,967,200*	*0.91*
Ms. Ong Bee Leem[2]	*151,440*	*0.02*
EIPL	*80,986,000*	*12.41*
RAL	*40,274,100*	*6.17*

Notes:

(1) In this Offer Document, any discrepancies between the listed percentage and the totals shown thereof are due to rounding. Accordingly, figures shown as totals in this Offer Document may not be an arithmetic aggregation of the figures that precede them.

(2) Ms. Ong Bee Leem is OCE's daughter and OEY's sister.

(c) Pursuant to the Consortium Irrevocable Undertakings, the relevant Shareholder undertook and/or agreed, inter alia:

(i) to accept, or procure the acceptance of, the Offer in respect of all the Shares set out in paragraph 3.6(b) of this Offer Document;

(ii) to waive, or procure the waiver of, their rights to receive any cash settlement or payment for their acceptance of the Offer within the time period prescribed under Rule 30 of the Code;

*(iii) that the total cash consideration payable by the Offeror for such acceptances from them in respect of the Shares held by them will be regarded as interest-free shareholder loans (the "**Relevant Consortium Loans**") extended by them to the Offeror; and*

(iv) that after the close of the Offer, a portion of the Relevant Consortium Loans will be settled via the issuance of new shares in the Offeror, with the remaining portion of the Relevant Consortium Loans to be settled in cash or retained as shareholders' loans.

The SIC has confirmed that the Consortium Arrangements do not constitute special deals for the purpose of Rule 10 of the Code.

3.7 Funding of Offer and Shareholding of the Offeror

The Offer will be funded by a combination of interest-free shareholders' loans (including the Relevant Consortium Loans) and bank loan and subject to certain agreed maximum funding amounts as agreed between the members of the Consortium. Accordingly, the eventual shareholding of the Offeror after the completion of the Offer will be adjusted to reflect the funding contributions of each member of the Consortium. Depending on the acceptances received in respect of the Offer and based on the Offer Price, it is expected that the eventual shareholding of the Offeror will be as follows:

Shareholder of the Offeror	***Shareholding Percentage (%)***
EIPL	*31.80 to 44.51*
EL	*19.10 to 27.93*
CSGL	*19.10 to 27.93*
RAL	*12.35 to 17.28*

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4. IRREVOCABLE UNDERTAKINGS

Information on the irrevocable undertaking provided by Ms Helen Chow in favour of the Offeror (the "**Additional Irrevocable Undertaking**") and further details in respect of the Consortium Irrevocable Undertakings and the Additional Irrevocable Undertaking have been extracted from Section 5 of the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"5. IRREVOCABLE UNDERTAKINGS

5.1 Additional Irrevocable Undertaking

*In addition to the Consortium Irrevocable Undertakings, as at the Latest Practicable Date, the following Shareholder has executed an irrevocable undertaking dated 17 May 2022 (the "**Additional Irrevocable Undertaking**") in favour of the Offeror, pursuant to which she has undertaken to (a) accept the Offer in respect of all Shares held by or on behalf of her and (b) accept the Offer in respect of any other Shares or securities in the capital of the Company that she may acquire, or which may be allocated and issued to her (as the case may be), on or after the date of the Additional Irrevocable Undertaking:*

Shareholder	***No. of Shares***	***Shareholding Percentage (%)[1]***
Ms. Helen Chow	*27,967,900*	*4.29*

***Notes**:*

(1) The percentage shareholding interest is based on the total number of Shares of 652,661,100 Shares (excluding treasury Shares) as at the Latest Practicable Date. Percentages are rounded to the nearest two (2) decimal places.

5.2 Termination of Consortium Irrevocable Undertakings and the Additional Irrevocable Undertaking

Each Consortium Irrevocable Undertaking and Additional Irrevocable Undertaking shall terminate, lapse and cease to have any effect upon the Offer lapsing, being withdrawn, or failing to become unconditional in all respects for whatever reason other than as a result of a breach by the relevant undertaking Shareholder of any of his/ her/ its obligations under the relevant Consortium Irrevocable Undertaking or Additional Irrevocable Undertaking (as the case may be).

5.3 No other irrevocable undertakings

Save for the Consortium Irrevocable Undertakings and/or the Additional Irrevocable Undertaking, as at the Latest Practicable Date, neither the Offeror nor any persons acting in concert with the Offeror has received any irrevocable undertaking from any other person to accept or reject the Offer."

5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

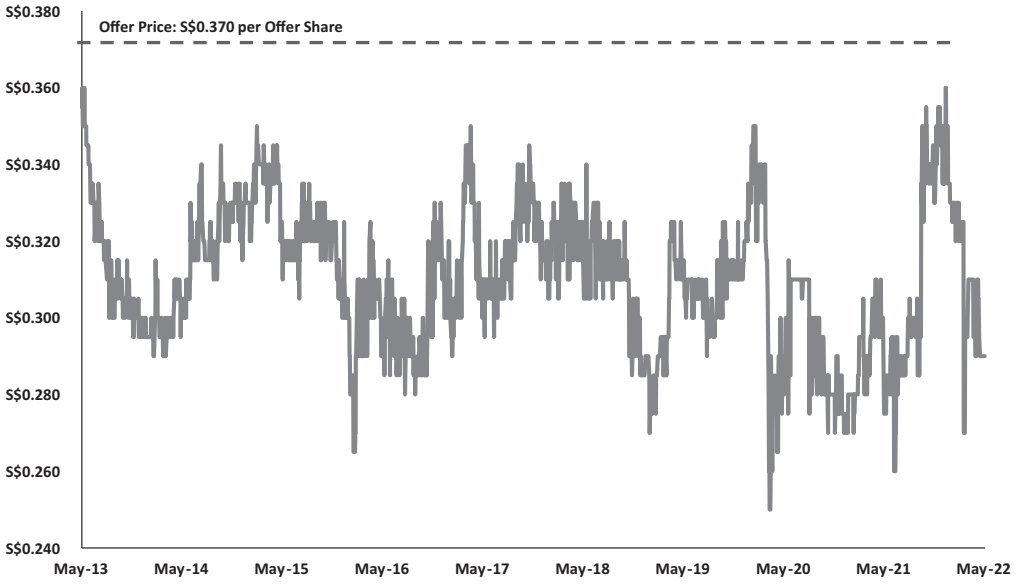
5.1 The full text of the rationale for the Offer and the Offeror's intentions for the Company has been extracted from Section 6 of the Offer Document and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

"***6. RATIONALE FOR THE OFFER AND INTENTIONS FOR THE COMPANY***

6.1 Opportunity for Shareholders to realise their investment at an attractive price and a compelling premium.

*The Offeror is of the view that the Offer represents an attractive cash exit opportunity for Shareholders to realise their entire investment in cash with price certainty at a compelling premium, without incurring brokerage and other trading costs. While the Board have appointed Evercore Asia (Singapore) Pte. Ltd. to assist the Company to, inter alia, maximise shareholder value (the "**Exercise**"), there is no assurance that any transaction will materialise from the Exercise. As at the Latest Practicable Date, there have been no updates from the Board in relation to the Exercise. As such, the Offer presents the only offer available for acceptance by Shareholders to realise their investment in the Company.*

*(a) The Offer Price exceeds all previous closing prices of the Shares in the nine (9)-year period up to and including 12 May 2022, being the last full trading day of the Shares prior to the Offer Announcement Date (the "**Last Trading Date**"). In addition, only approximately 65% of Market Days in the nine (9)-year period up to and including the Last Trading Date had more than 10,000 Shares traded on the SGX-ST.*



(b) *The Offer presents Shareholders with an opportunity to realise their investment in their Shares at a premium of approximately:*

(i) *27.6% over S$0.290[1], the last traded price per Share on the Last Trading Date;*

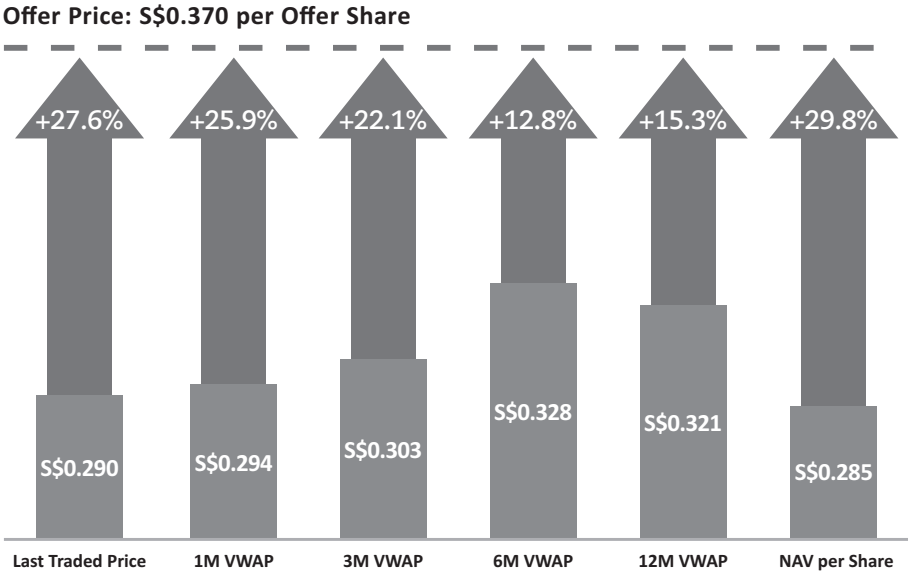
(ii) *25.9% over S$0.294, the volume weighted average price ("**VWAP**") of the Shares for the one (1)-month ("**1M**") period up to and including the Last Trading Date;*

(iii) *22.1% over S$0.303, the VWAP of the Shares for the three (3)-month ("**3M**") period up to and including the Last Trading Date;*

(iv) *12.8% over S$0.328, the VWAP of the Shares for the six (6)-month ("**6M**") period up to and including the Last Trading Date;*

(v) *15.3% over S$0.321, the VWAP of the Shares for the 12-month ("**12M**") period up to and including the Last Trading Date; and*

(vi) *29.8% over S$0.285, the net asset value ("**NAV**") per Share as at 31 December 2021.*



6.2 The Company, as with many property-related businesses, faces a challenging and unprecedented macro and operating environment driven by COVID-19, geopolitical tensions and Brexit.

The Company faces a challenging macro and operating environment both in Singapore and the UK, driven by a myriad of risk factors including:

(a) ***Global supply chain disruption, acceleration of global inflationary conditions and wage pressures***

As a result of the ongoing COVID-19 pandemic, the construction of developmental projects continues to face prolonged challenges due to global supply chain disruptions and labour shortages, leading to rising material and labour costs, higher tender prices for new projects and increasing risks of default by construction contractors. The Company may also face increasing risks of delays in project completion and challenges in the resumption of rental income from its redevelopment and refurbishment projects. Further uncertainties are driven by the post-Brexit environment that may materially impact businesses.

(b) ***Shifting work trends and social patterns in the post-COVID-19 pandemic new normal and the increasing importance of environmental, social and governance ("ESG") standards may lead to lower demand and obsolescence of existing office space***

The adoption of hybrid working arrangements and the shift towards flexible working space may drive a structural change in office leases in favour of shorter tenures, frequent vacancies and turnover and longer downtime. Widespread adoption of ESG standards and the upward trend of flight to quality trend are also increasingly leading tenants to demand and shift to newer and higher quality spaces that have the most updated green and social-friendly specifications, with an emphasis on employee well-being. This is ratcheting up the pressure on landlords to upgrade their office stock to meet exacting net-zero carbon demands and employee well-being needs. As some of the Company's office investment properties are ageing, the expected capital expenditure and loss of income arising from refurbishments and redevelopments may impact the Company's future income. The return on investment may also become unappealing given the rising cost of redevelopments. The higher ESG requirements may also impact the market value of the Company's properties. There is therefore no guarantee that the Company will be able to monetise its assets at favourable capital values. In addition, the Company's investments are in the form of joint ventures or non-controlling associate stakes, and the Company may therefore not be able to refurbish or redevelop without the agreement of its joint venture partners.

(c) ***Geopolitical concerns stemming from the Ukraine-Russia war may lead to heightened energy costs and production disruptions, and spark a recession in Europe's largest economies and the UK from potential oil and gas sanctions***

The UK's and Europe's economies remain interdependent even post-Brexit. There are heightened geopolitical concerns stemming from the Ukraine-Russia war, which is the worst crisis in Europe since World War Two. Even as Europe is committed to end its reliance on Russian energy, it will take time. A sudden halt of Russian energy imports could see the physical shutdown of producers, especially German manufacturers and carmakers, and spark a sharp recession in Europe's biggest economy by 2023, with a wider impact across the continent as well as in the UK.

(d) ***China's zero-COVID policy, coupled with a crackdown on Big Tech, a real estate slump and risks related to Russia's war in Ukraine, has caused a stall in China's economy with a slump in manufacturing and services***

Closer to Singapore, China is experiencing slowing export growth and a severe contraction in its property sector due to China's policy crackdown on its residential housing market. China is struggling to contain its most severe wave of COVID-19 infections since winter 2020. The headwinds from the impact of the Omicron wave as well as its unwavering zero-COVID strategy has led to economic pain and disruptions from widespread partial / full lockdowns, dampened consumer sentiment, private investments and disruptions in production and logistics supply chains. Increasing domestic logistics and port operations disruptions may spill over to regional and/or global supply chains. The impact of the Russia-Ukraine war has pushed up costs for Chinese businesses amidst fading export growth. Any sustained slowdown in China may potentially have a global impact, and when coupled with inflation risks and war, this may potentially raise recession fears in the United States of America and Europe this year.

These uncertainties may pause or halt business investments and dampen consumer sentiment in the markets that the Company operates in, leading to delays in leasing decisions, thereby impacting future occupancies and rental outlook of the Company's investment properties.

(e) ***Tax rises in the UK in response to a weakening of the public finances, caused initially by Brexit and, more recently, exacerbated by the COVID-19 pandemic***

UK companies will face an increase in corporation tax from 19% to 25% with effect from 1 April 2023. Interest rates are expected to be hiked to record levels as the Bank of England battles to cool the rocketing inflation. This will make it increasingly challenging as the Company has investment properties in the UK and will be affected by the macroeconomic conditions.

The increase in taxes is brought about as the government looks to restore public finances and prevent debt from rising in the aftermath of the COVID-19 pandemic given the unprecedented levels of government spending on various support measures. Such pressures will likely be compounded by surging energy prices and the ongoing conflict in Ukraine. The ageing population in the UK will demand more health and social care, both of which will be increasingly expensive.

(f) ***End of loose monetary conditions and record low interest rates; interest rate hikes and quantitative tightening are leading to the tightening of credit conditions and the reduced appetite for expansion form business and investors***

The Federal Reserve is on an aggressive path to hike interest rates to combat sticky inflation, spiking energy prices and wage growth pressures. This has led global central banks to tighten monetary policies, leading to an end to a decade of loose monetary conditions and record low interest rates. This has raised the real cost of capital, lowered the appeal of real estate investment, lowered real estate values and a flight to quality assets. A potential recession in the United States of America, especially if triggered by a cycle of raising of interest rate by the Federal Reserve, may trigger chaos in the financial markets and increase global volatility. The rising interest rate environment may negatively affect the value of, and cashflows derived from, the Company's investment properties as a result of higher debt financing costs and higher discount or capitalisation rates.

The Offeror is of the view that the Offer represents an attractive opportunity for Shareholders to exit their investment in an uncertain economic environment.

6.3 Following recent changes to the Board after the 2022 AGM, the Board is currently majority-controlled by certain close family members and substantial shareholders, with no Independent Directors on the Board. The Company has also been served with a Notice of Compliance by the SGX-ST. These developments create uncertainty in the future direction and strategy of the Company.

(a) ***The Company has no Independent Directors presently***

*Since the conclusion of the annual general meeting of the Company held on 18 April 2022 (the "**2022 AGM**"), the following Board changes have taken place:*

(i) 18 April 2022 – Cessation of Independent and Non-Executive Director, Mr. Tham Chee Soon, as the resolution for his re-appointment was not passed at the 2022 AGM;

(ii) 18 April 2022 – Re-designation of Mr. Huang Yuan Chiang from Non-Executive Independent Director to Non-Executive Non-Independent Director, as the requisite resolutions for his continued appointment as an Independent Director were not passed at the 2022 AGM;

(iii) 25 April 2022 – Resignation of Non-Executive Non-Independent Director, Dr. Ong Hian Eng, and cessation of Mr. Ong Eng Keong (who was appointed as an alternate director to Dr. Ong Hian Eng on 31 May 2021) as an alternate director;

(iv) 25 April 2022 – Appointment of Mr. Ong Eng Keong as a Non-Independent and Non-Executive Director of the Company;

(v) *4 May 2022 – Resignation of Chairman and Non-Executive Independent Director, Mr. Mak Lye Mun, due to "disagreement with certain Board members on the selection and appointment process of two (2) new Independent Directors";*

(vi) *5 May 2022 – Resignation of Non-Independent and Executive Director, Mr. Ong Mui Eng, with effect from 31 July 2022, and withdrawal of Mr. Ong Eng Loke (who was appointed as an alternate director to Mr. Ong Mui Eng on 23 April 2021) as an alternate director; and*

(vii) *5 May 2022 – Appointment of Mr. Ong Eng Loke as a Non-Independent Executive Director and Acting Group Managing Director of the Company.*

With the resignation of the Independent Chairman of the Board, Mr. Mak Lye Mun, on 4 May 2022, the Board no longer has any Independent Directors to ensure proper functioning and corporate governance of the Company. In addition, despite there being insufficient or no Independent Directors to constitute a proper Nominating Committee after the conclusion of the 2022 AGM, the Board proceeded to appoint two (2) new Non-Executive and Non-Independent Directors during the same period.

(b) ***The Company has had a good compliance track record for decades until recently***

The Company has, for many years under previous boards, complied with the independence requirements for board composition. With the recent changes in the Board post the recent 2022 AGM, the Board currently has no Independent Directors and is majority-controlled by certain close family members and substantial shareholders.

(c) ***Need for independent review in the Company's internal controls, process and practices relating to Board nomination process***

*The Company has been served a Notice of Compliance by the SGX-ST on 6 May 2022 (the "**Notice of Compliance**") and is required to, inter alia, appoint independent reviewers to review the process and practices relating to the selection and appointment of Independent Directors. In response to the Notice of Compliance, the Company released a clarification announcement on 9 May 2022 to disclose that five (5) potential Independent Director candidates were recommended by two (2) members of the Board, who are close family members and also substantial shareholders of the Company[2].*

(d) ***The Company has had recent changes in management which may lead to uncertainty in executing any business plan and strategy***

The Company has had changes in leadership in recent years with three (3) Managing Directors (including acting Managing Directors) since March 2021. These changes in key management personnel within a short time frame may result in uncertainty in the direction of the leadership and challenges in the execution of any business plan and strategy of the Company.

The current state of affairs of the Company is highly unsatisfactory. It is unclear whether the business plan and strategy that was proposed by the previous management team of the Company and approved by the previous Boards will continue to be implemented. Recent events also raise concerns as to the corporate governance of the Board and the Company going forward and the Board's ability to navigate the Company through the current volatile markets.

In view of the above, the Offeror believes that its Offer is a viable exit alternative for Shareholders who do not wish to be subject to the risk of uncertainty in the direction and strategy of the Company.

6.4 Opportunity for Shareholders to exit their investment, which may otherwise be difficult due to low trading liquidity.

The trading volume of the Shares has been generally low, with an average daily trading volume[3] of approximately 24,900 Shares, 22,089 Shares, 27,995 Shares and 41,337 Shares during the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively up to and including the Last Trading Date. Each of these represents less than approximately 0.007% of the total number of issued Shares (excluding treasury shares) for any of the aforementioned relevant periods.

The low trading liquidity may not provide Shareholders with sufficient opportunities to efficiently exit their investments in the Company. Hence, the Offer represents a unique cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.

6.5 Compliance costs of maintaining listing status. *In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of its listed status and focus its resources on its business operations.*

6.6 Offeror's intentions for the Company

After the close of the Offer, the first order of business for the Offeror would be to regularise any non-compliance with applicable laws, listing rules, regulations and/or guidelines relating to the Board composition of the Company, including addressing the issues raised by the Notice of Compliance issued by the SGX-ST (if the Company is to remain listed on SGX-ST).

Thereafter, the Offeror intends to undertake a review of the key management appointments, business plans, strategy and operations of the Company which may have recently been changed and/or diverted by the current Board from the business plans and strategies proposed and/or adopted by previous management teams and previous Boards of the Company. The Offeror also intends to evaluate various options or opportunities which may present themselves, having regard to the interests of the Company and/or the Offeror.

Save as disclosed above and subject to the review by the Offeror as described above, the Offeror does not currently have any intention to (a) make any major changes to the business of the Company, (b) re-deploy the fixed assets of the Company, or (c) discontinue the employment of the existing employees of the Group, other than in the ordinary course of business.

1 The S$ figures (excluding the Offer Price) are rounded to the nearest three decimal places and are sourced from Bloomberg L.P. up to and including the Last Trading Date. The respective premia are rounded to the nearest one decimal place.

2 Based on publicly available information.

3 The average daily trading volume is computed based on the total volume of Shares traded divided by the number of Market Days with respect to the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period up to and including the Last Trading Date."

5.2 The full text of the rationale for the Revised Offer Price has been extracted from Section 4 of the Revised Offer Announcement and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Revised Offer Announcement, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

"The Offeror is of the view that the Revised Offer Price reinforces the compelling and attractive exit opportunity for Shareholders, to realise their entire investment in cash at an attractive price and a compelling premium amidst low trading liquidity and ongoing market volatility, without incurring brokerage and other trading costs. The Offer remains, at present, the only offer available for acceptance by Shareholders to realise their investment in the Company."

6. LISTING STATUS AND COMPULSORY ACQUISITION

The full text of the intentions of the Offeror relating to the listing status and compulsory acquisition of the Company has been extracted from Section 7 of the Offer Document and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

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

7.1 Listing status

*Under Rule 723 of the Listing Manual, the Company must ensure that at least 10% of the total number of Shares is at all times held in public hands (the "**Free Float Requirement**"). Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and persons acting in concert with the Offeror to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 500 Shareholders who are members of the public.*

Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not satisfied, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares (excluding any Shares held in treasury) held in public hands to at least 10%, failing which the Company may be removed from the Official List of the SGX-ST.

7.2 Compulsory acquisition

*Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer ("**Dissenting Shareholders**") at a price equal to the Offer Price.*

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares, the Dissenting Shareholders will have a right to require the Offeror to acquire their Shares at the Offer Price. Such shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

7.3 Offeror's intentions

The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to support or take any step (including the placing out of Shares by the Offeror) for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, inter alia, less than 10% of the total number of issued Shares (excluding any Shares held in treasury) are held in public hands.

*The Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual (collectively, the "**Voluntary Delisting Rules**"). Without prejudice to the foregoing, if the Offeror receives, as at the Closing Date, valid acceptances of the Offer from Shareholders (other than persons acting in concert with the Offeror) (the "**Independent Shareholders**") representing at least 75% of the total number of issued Shares held by the Independent Shareholders and subject to substantive compliance with the other requirements set out in such Voluntary Delisting Rules, the Offeror intends to seek SGX-ST's waiver from strict compliance with such Voluntary Delisting Rules.*

In the event that the public float is lost and the Offeror is unable to exercise its right of compulsory acquisition or the Company is unable to meet the requirements set out in the Voluntary Delisting Rules, the trading of the Shares may be subjected to a prolonged period of suspension."

7. CONFIRMATION OF FINANCIAL RESOURCES

The full text of the confirmation of financial resources has been extracted from Section 9 of the Offer Document and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"***9. CONFIRMATION OF FINANCIAL RESOURCES***

The Offeror's Financial Adviser, as the sole financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares on the basis of the Offer Price, excluding the quantum of the Relevant Consortium Loans."

8. DISCLOSURES OF THE OFFEROR'S INTERESTS IN COMPANY'S SECURITIES, DEALINGS IN COMPANY'S SECURITIES, UNDERTAKINGS AND OTHER ARRANGEMENTS

8.1 The full text of the information relating to the disclosure of holdings and dealings in relevant securities by the Offeror, the directors of the Offeror, and persons acting in concert with the Offeror has been extracted from Section 1 of Appendix III to the Offer Document and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"1. DISCLOSURE OF INTERESTS IN COMPANY SECURITIES

1.1 Holdings in Company Securities

As at the Latest Practicable Date, based on the latest information available to the Offeror, save for the Consortium Irrevocable Undertakings and the Additional Irrevocable Undertaking and save as set out below, none of the Offeror, the Directors or persons acting or deemed to be acting in concert with the Offeror owns, controls or has agreed to acquire any Company Securities:

Name	***Number of Shares***	***Percentage of total number of issued Shares[1]***
Offeror[2]	*100,000*	*0.02*
OCE	*3,178,000*	*0.49*
OEY	*5,967,200*	*0.91*
Ms. Ong Bee Leem[3]	*151,440*	*0.02*
EIPL	*80,986,000*	*12.41*
Ms. Helen Chow[4]	*27,967,900*	*4.29*
RAL	*40,274,100*	*6.17*
Bank of Singapore Ltd.[5]	*578,300*	*0.09*
Mrs. Teoh Lian Ee and Mr. Teoh Sek Hong[6]	*29,000*	*Not meaningful*

***Notes**:*

(1) The percentage shareholding interest is based on the total number of Shares of 652,661,100 Shares (excluding treasury Shares) as at the Latest Practicable Date. Percentages are rounded to the nearest two (2) decimal places.

(2) CSGL holds 29% of the ordinary shares of the Offeror. CSGL is wholly owned by Zen Capital, and Zen Capital is wholly owned by KC. Accordingly, KC has a deemed interest in the 100,000 Shares held by the Offeror.

(3) Ms. Ong Bee Leem is OCE's daughter and OEY's sister.

(4) Ms. Helen Chow is KC's mother.

(5) Bank of Singapore Ltd. is a wholly-owned subsidiary of the Offeror's Financial Adviser. Bank of Singapore Ltd. holds the Shares for its clients' accounts on a strictly non-discretionary basis.

(6) Mrs. Teoh Lian Ee is a director of Great Eastern Holdings Limited, a subsidiary of the Offeror's Financial Adviser. Mrs. Teoh Lian Ee holds the Shares in a joint account with her spouse, Mr. Teoh Sek Hong.

1.2 Dealings in Company Securities

Based on the latest information available to the Offeror, the details of dealings in Shares during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date by the Offeror, the Directors and persons acting in concert with the Offeror are set out below:

Name	***Transaction Date***	***Transaction Type***	***No. of Shares***	***Transaction price per Share (S$)***
Offeror	*18 May 2022*	*Acquisition*	*100,000*	*0.370*

1.3 Undertakings to accept or reject the Offer

As at the Latest Practicable Date, save for the Consortium Irrevocable Undertakings and Additional Irrevocable Undertaking, no person has given any undertaking to the Offeror or persons acting in concert with the Offeror, to accept or reject the Offer.

1.4 Arrangements of the kind referred to in Note 7 on Rule 12 of the Code

As at the Latest Practicable Date, save for the Consortium Irrevocable Undertakings and the Additional Irrevocable Undertaking, neither the Offeror nor any persons acting in concert with the Offeror has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to the Shares which may be an inducement to deal or refrain from dealing in the Shares."

8.2. The following information on the disclosure of holdings in Shares by the Offeror and persons acting in concert with the Offeror has been extracted from the Revised Offer Announcement and is set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Revised Offer Announcement, unless otherwise stated.

"*Accordingly, as at 6.00 p.m. (Singapore time) on 6 June 2022, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and the Offeror's Concert Parties; and (b) valid acceptances of the Offer, amount to an aggregate of 161,226,700 Shares, representing approximately 24.7% of the total number of Shares.*"

8.3. The Offeror has subsequently announced the acquisition by the Offeror of 1,000,000 Shares, representing approximately 0.15% of the total Shares on 7 June 2022, and that as at 7 June 2022, the percentage of issued share capital of the Company owned or controlled by the Offeror and parties acting in concert with the Offeror (excluding valid acceptances of the Offer received by the Offeror) is 24.55%. Accordingly, based on publicly available information as at the Latest Practicable Date, the Offeror and its concert parties own, control or have agreed to acquire Shares (including acceptances of the Offer received by the Offeror) representing approximately 24.86% of the total number of Shares.

9. RESPONSE TO OFFEROR'S STATEMENTS RELATING TO ITS INTENTIONS FOR THE COMPANY

The Current Ong Directors would like to respond to the Offeror's statements relating to its rationale for the Offer and its intentions for the Company as follows. **Shareholders should carefully consider the Current Ong Directors' response below before taking any action on the Offer.** The response set out in this Section 9 represents the views of the Current Ong Directors (for which the Current Ong Directors take responsibility) and such views are not shared by Mr Huang Yuan Chiang.

(a) Challenges in operating environment as highlighted by the Offeror

The Offeror stated that, amongst others:

> *"The Offeror believes that the Company faces a very challenging and unprecedented macro and operating environment, coupled with increased uncertainty in the direction and strategy of the Company."*[1]
>
> *"The Company, as with many property-related businesses, faces a challenging and unprecedented macro and operating environment driven by COVID-19, geopolitical tensions and Brexit."*[2]
>
> *"The Offeror is of the view that the Offer represents an attractive opportunity for Shareholders to exit their investment in an uncertain economic environment."*[3]

The Current Ong Directors would like to remind Shareholders of the following:

(i) Previous management of the Company

- Mr Ong Choo Eng and Mr Ong Eng Yaw were the key management personnel responsible for running the Company until recently:
  - Mr Ong Choo Eng was a Director of the Company since June 1982 and was the Group Managing Director for 32 years before retiring on 20 April 2021 from this position; and
  - Mr Ong Eng Yaw joined the management of the Company on 1 August 2008, was subsequently appointed the Chief Operating Officer on 20 March 2020 and thereafter, the Acting Group Managing Director on 23 April 2021, taking over from his father, Mr Ong Choo Eng following the latter's retirement after 32 years as Group Managing Director, before resigning from this position on 18 April 2022.
- Further, Mr Ong Choo Eng and Mr Ong Eng Yaw are still members of the present management team of the Company. Mr Ong Choo Eng is currently the Managing Director of SWC. Mr Ong Eng Yaw is currently the Chief Operating Officer of the Company, the senior vice president (real estate), and is also a director of SWC as well as all of the Singapore-incorporated subsidiaries of the Company. Both of them also hold directorships in most of the associated companies of the Company. These subsidiaries and associated companies hold (directly and indirectly) substantial assets of the Company, including a majority of the Group's freehold and leasehold properties located in Singapore, and a majority of the Group's freehold commercial, retail and residential properties and leasehold residential properties located in London, United Kingdom.[4]

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[1] Page 3 of the gatefold of the Offer Document.

[2] Section 6.2 of the Offer Document.

[3] Section 6.2 of the Offer Document.

[4] For more information on the Group's property portfolio, please refer to Notes 1 and 34 of the audited consolidated financial statements of the Group for FY2021 as set out in Appendix IV to this Circular.

- Dr Ong Eng Hui, David, Mr Ong Eng Keong and Mr Ong Eng Loke were appointed as Directors to the Board only in the past year.[5] Mr Ong Eng Loke was only recently appointed as the Acting Group Managing Director on 5 May 2022 (following Mr Ong Eng Yaw's decision not to stand for re-election at the 2022 AGM).

- As stated in the Company's statement on 20 May 2022[6], since joining the Board and prior to the Offer, Dr Ong Eng Hui, David, Mr Ong Eng Keong and Mr Ong Eng Loke had over the course of the year raised concerns about the strategic direction and past performance of the Company under the leadership of Mr Ong Eng Yaw as then Acting Group Managing Director and Mr Ong Choo Eng as the previous Group Managing Director.

(ii) Statements on the review of the Company's business made by the previous Board in the FY2021 Annual Report

- Shareholders may also wish to compare the Offeror's statements with the letter to Shareholders as set out in the FY2021 Annual Report, which was **released less than three months ago** on 25 March 2022 and signed off by the previous Chairman and independent Director, Mr Mak Lye Mun, and the previous Acting Group Managing Director, Mr Ong Eng Yaw (who is now a director of the Offeror and part of the Offeror Consortium). In particular, such letter to Shareholders provided that[7]:

  - In relation to the business prospects of the Company:

    *"**Looking forward, we remain cautiously optimistic in our investment outlook. As we look ahead into 2022 and beyond, we expect economic growth to normalize following 2 years of the pandemic**. As we leave the worse of the pandemic behind us, uncertainties surrounding interest rates, inflation, supply chain disruption, energy prices and geopolitics remain our key concerns and represent the main exogenous risks to our business."*[8] (emphasis added)

  - In respect of the review of the Company's business in Singapore:

    "In 2021 the Singapore economy rebounded from a recession in FY2020 and is expected to register a growth rate of 7.2% in FY2021 (source: MTI estimates). This was due to the easing of COVID-19 restrictions and the roll-out of the vaccination program.

    Our largest property in Singapore, 110 Paya Lebar, performed as expected and continues to be leased to BDx, who operate it as a carrier neutral 7.6MW data centre.

    Construction of our boutique office development, 253 Jalan Besar, is underway after facing material COVID-19 related construction delays in FY2021. The project is now expected to receive its temporary occupation permit in the 1st half of 2022.

    Our remaining investment properties in Singapore achieved an occupancy rate of 100% and we achieved a rental revenue of S$4.9 million from our Singapore income generating properties.

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[5] Dr Ong Eng Hui, David was appointed to the Board in May 2021, while Mr Ong Eng Keong and Mr Ong Eng Loke were appointed in April 2022, having served as alternate directors for the past year.

[6] Please refer to the Company's announcement of 20 May 2022 in relation to, *inter alia*, the alignment of the Current Ong Directors with minority shareholders and the clarification on the Notice of Compliance.

[7] The following extracts should be read in conjunction with, and in the context of the full text of the letter to shareholders in the FY2021 Annual Report.

[8] Page 6 of the FY2021 Annual Report.

In addition, with the strength in the residential property market, we completed the sale of 1 unit at Rivergate for a gain of S$2.9 million and will continue to look at further divestments in 2022 to free up capital for reinvestment into new opportunities."[9]

- In respect of the review of the Company's business in the United Kingdom:

  "In the UK, the economy gradually began its recovery with the roll out of their vaccination program and the lifting of COVID-19 restrictions in the 2nd half of the year. This meant a return of footfall to central London as workers began to return to work gradually. This recovery was held back temporarily by the Omicron wave in Dec 2021 which has since abated in early 2022. With the worst of the pandemic behind us, our focus in FY2021 in the UK was to prepare for a recovery in the rental market by ensuring our properties remained relevant and attractive to potential occupiers.

  In 2020, 20 Midtown in Holborn struggled as the pandemic severely affected several tenants in the building. We took this as an opportunity to rationalize and refurbish large parts of the building in preparation for a post-pandemic recovery. Works are well underway, and we expect to deliver the newly refurbished space at 20 Midtown into the leasing market in 2022.

  At the same time, with 20 Garrett Street in Clerkenwell coming vacant in 2021, we have put in place a full asset enhancement initiative to modernize the building and to ensure that the building meets the highest environmental and sustainability standards possible. We expect this exercise to complete in 2022 and hope to deliver the new space into the Clerkenwell leasing market in late-2022/early 2023.

  During the year, our Group sponsored the Shorea Capital London Office Fund ("SCLOF"), a central London commercial property fund focused on value-add commercial property investment opportunities. SCLOF is managed by Shorea Capital Real Estate, our real estate fund management associate, and is a key initiative in our strategy to both diversify our income to include fee-based income and to be more capital efficient through capital partnerships with 3rd party investors.

  In 2021, the Group took the opportunity to further recycle capital invested in the London prime residential segment. During the year, we disposed of one flat at 15/17 Hornton Street and 58 Queensgate (completed in January 2022), resulting in a gain of S$1.2 million and S$14.4 million, respectively. With these disposals, our main investment activity in the prime central London residential segment for the next few years will be focused on the redevelopment of Kilmuir House into a unique luxury scheme in Belgravia.

  Total rental revenue from both our UK commercial and residential portfolio for FY2021 was S$4.1 million."[10]

[9] Pages 3 and 4 of the FY2021 Annual Report.

[10] Pages 4 and 5 of the FY2021 Annual Report.

The Current Ong Directors, working together with the independent Directors to be appointed in due course, will undertake the following:

(1) a review of the business plans, strategy and operations of the Company adopted by the previous Boards and management teams of the Company, with a view to identifying areas in which the strategic direction and operations of the Company can be enhanced and to growing the business of the Company ("Business Strategy Review"). Any initiatives introduced by the Company pursuant to the Business Strategy Review may require a period of time to produce results for the Company and the Group; and

(2) should the Offer be unsuccessful, a comprehensive strategic review to consider the options available to the Company, with a view to unlocking and maximising shareholder value.

(b) Risk of uncertainty in the direction and strategy of the Company as highlighted by the Offeror

The Offeror also stated the following as reasons to persuade Shareholders to accept the Offer:

"Offer provides a viable exit alternative for Shareholders who do not wish to be subject to the risk of uncertainty in the direction and strategy of the Company."[11]

- *"The Company has no Independent Directors presently."*[12]
- *"Recent board changes have resulted in a need for an independent review of the Company's internal controls, process and practices relating to the Board nomination process."*[13]
- *"The Company has had recent changes in management which may lead to uncertainty in executing any business plan and strategy."*[14]

"These changes in key management personnel within a short time frame may result in uncertainty in the direction of the leadership and challenges in the execution of any business plan and strategy of the Company."[15]

(i) Appointment of new independent directors to fill vacancies

The Current Ong Directors would like to highlight the following actions by the Company in relation to the Notice of Compliance issued by the SGX RegCo on 6 May 2022:

- In the Company's announcement on 26 May 2022[16], the Company had provided some clarifications on the process being undertaken by the Company for the appointment of independent directors as required under the Listing Manual. Further, as updated previously on 27 May 2022[17], the Company had been working closely with SGX RegCo on an appropriate choice of an independent reviewer as required by the Notice of Compliance (the "**Independent Reviewer**").

[11] Page 2 of the gatefold of the Offer Document and Section 6.3 of the Offer Document.

[12] Page 2 of the gatefold of the Offer Document and Section 6.3(a) of the Offer Document.

[13] Page 2 of the gatefold of the Offer Document and Section 6.3(c) of the Offer Document.

[14] Page 2 of the gatefold of the Offer Document and Section 6.3(d) of the Offer Document.

[15] Section 6.3 of the Offer Document.

[16] Please refer to the Company's announcement of 26 May 2022 in relation to the press statement by the Securities Investment Association (Singapore) entitled "Response to Press Statement issued by the Securities Investors Association (Singapore) on 25 May 2022".

[17] Please refer to the Company's announcement of 27 May 2022 in relation to the press statement by the Securities Investment Association (Singapore) entitled "SIAS Clarifies Meeting with Hwa Hong".

- The Board has on 3 June 2022 appointed KPMG Services Pte. Ltd. as the Independent Reviewer. The Company has also appointed Drew & Napier LLC to assist as the legal adviser to the Independent Reviewer in this regard. The Independent Reviewer is expected to undertake and complete its review under the Notice of Compliance within 12 weeks from the date of its appointment, barring any unforeseen circumstances.

- As the same time, the Board will continue to take active steps to reconstitute the Board expeditiously with suitably qualified and independent directors. As explained in the Company's announcement on 26 May 2022[18], the Board is permitted to, and it intends to, appoint new independent director(s) pending the completion of the review by the Independent Reviewer, subject to any such appointment(s) being made in consultation with the Independent Reviewer. Pursuant to Rule 704(8) of the Listing Manual, the Board will seek to fill such vacancies in the Board committees, including the Audit Committee, within two (2) months, and in any case not later than three (3) months, so as to meet the minimum number of not less than three (3) members for each of the Audit Committee, Nominating Committee and Remuneration Committee.

The Company will make an appropriate announcement in the event of any material developments.

The Board would like to assure Shareholders that it is committed to taking all necessary steps and actions to fulfil and comply with the directives of SGX RegCo in the Notice of Compliance and will work closely with the Independent Reviewer to address the matters in the Notice of Compliance as soon as possible.

(ii) Changes in the management of the Company

With regard to recent changes in the management alluded to by the Offeror as set out above, the Current Ong Directors note the following actions of Mr Ong Choo Eng and Mr Ong Eng Yaw, who are members of the Offeror Consortium:

- The former Group Managing Director, Mr Ong Choo Eng withdrew his consent to stand for re-election as Director on 20 April 2021, three days prior to the 68th AGM held on 23 April 2021, citing "personal reasons".

- The previous Acting Group Managing Director, Mr Ong Eng Yaw withdrew his consent to stand for re-election as Director on the day of the 2022 AGM, citing "personal reasons".

As mentioned above, the Current Ong Directors, working together with the independent Directors to be appointed in due course, will undertake the Business Strategy Review with a view to identifying areas in which the strategic direction and operations of the Company can be enhanced, and to growing the business of the Company.

10. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

10.1 Appointment of IFA

Provenance Capital has been appointed as the independent financial adviser to advise the Recommending Directors in respect of the Offer.

[18] Please refer to the Company's announcement of 26 May 2022 in relation to the press statement by the Securities Investment Association (Singapore) entitled "Response to Press Statement issued by the Securities Investors Association (Singapore) on 25 May 2022".

10.2 Independence of Directors

All the Directors are considered independent for the purposes of making a recommendation to Shareholders in relation to the Offer.

Each of the Recommending Directors, namely Mr Ong Eng Loke, Dr Ong Eng Hui David, Mr Ong Eng Keong, Mr Ong Mui Eng and Mr Huang Yuan Chiang, considers himself to be independent for the purposes of making a recommendation to the Shareholders in relation to the Offer.

Shareholders should read and consider carefully the advice of Provenance Capital to the Recommending Directors in respect of the Offer as set out in the IFA Letter and the recommendation of the Recommending Directors set out in Sections 10.4 and 10.5 below before deciding whether or not to accept the Offer.

10.3 Evaluation of the Offer by the IFA

The IFA Letter setting out the advice and recommendations of the IFA to the Recommending Directors in respect of the Offer is set out in Appendix I to this Circular. The key considerations relied upon by the IFA in arriving at its advice to the Recommending Directors are set out in Section 8 of the IFA Letter.

Shareholders should read and consider carefully the key considerations relied upon by the IFA in arriving at its advice to the Recommending Directors, in conjunction with, and in the context of the full text of the IFA Letter.

10.4 Advice of the IFA to the Recommending Directors on the Offer

Based on the IFA's assessment of the financial terms of the Offer from a financial point of view, the IFA has advised the Recommending Directors on the terms set out in Section 9 of the IFA Letter and reproduced in italics below. The advice set out below should be considered and read by Shareholders in conjunction with, and in the context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

"*In arriving at our recommendation in respect of the Offer, we have taken into account, reviewed and deliberated on the following key considerations which we considered to be pertinent in our assessment of the Offer:*

(a) market quotation and trading activity of the Shares;

(b) financial analysis of the Group;

(c) comparison of valuation statistics of selected listed companies which are broadly comparable with the Group;

(d) comparison with precedent privatisation of selected SGX-ST listed companies;

(e) estimated value range of the Shares;

(f) dividend track record of the Company; and

(g) other relevant considerations.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, overall, we are of the view that the financial terms of the Offer (i.e. the Revised Offer Price) are fair and reasonable. Accordingly, we advise the Recommending Directors to recommend Shareholders to ACCEPT the Offer.

Shareholders who wish to realise their investments in the Company can choose to sell their Shares in the open market if they can obtain a price higher than the Revised Offer Price (after deducting transaction costs).

It is pertinent to note that the Offer is subject to the Minimum Acceptance Condition and the Offer has not become or been declared to have become unconditional in all respects as at the Latest Practicable Date. Shareholders should therefore note that if the Minimum Acceptance Condition is not met by the close of the Offer, the Offer will lapse and all Shares tendered will be returned to the respective Shareholders. Accordingly, Shareholders who accept the Offer will only have the certainty of the consideration of the Revised Offer Price in cash when the Offer has been declared to have become unconditional in all respects."

10.5 Recommendation of the Recommending Directors

The Recommending Directors, having considered carefully the terms of the Offer and the advice and recommendations given by the IFA to the Recommending Directors in the IFA Letter, **concur** with the advice and recommendation of the IFA in respect of the Offer. **Accordingly, the Recommending Directors recommend that Shareholders accept the Offer.** Shareholders who wish to realise their investments in the Company can choose to sell their Shares in the open market if they can obtain a price higher than the Revised Offer Price (after deducting transaction costs).

Shareholders are advised to read the terms and conditions of the Offer Document carefully. Shareholders are also advised to read and consider carefully the recommendation of the Recommending Directors and the IFA Letter set out in Appendix I to this Circular in their entirety before deciding whether to accept or reject the Offer.

Shareholders are also advised to read Section 10.6 below in relation to the solicitation of potential competing offer(s) to maximise shareholder value.

Shareholders should note that the trading of the Shares are subject to, *inter alia*, the performance and prospects of the Group, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice by the IFA to the Recommending Directors on the Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of the IFA's review.

In rendering the above advice and making the above recommendation, the IFA and the Recommending Directors have not given regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. **As each individual Shareholder may have different investment objectives and profiles, the IFA and the Recommending Directors advise that any individual Shareholder who may require specific advice in relation to his/her investment objectives or portfolio and/or the Offer should consult his/her legal, financial, tax or other professional adviser immediately.**

10.6 Solicitation of potential competing offer(s) to maximise shareholder value for the benefit of all Shareholders

As disclosed in the Company's announcement of 17 May 2022[19], prior to the Offer Announcement, the Current Ong Directors have for some time been deliberating the appointment of a financial adviser to assist the Company in unlocking and maximising shareholder value, as the Current Ong Directors have been of the view that the Shares are undervalued. However, before the Company could commence the strategic review process, the Offeror (which consortium comprises certain former Directors) made the Offer which was unsolicited. The Board then decided (based on a majority vote by the Current Ong Directors) to appoint Evercore, a reputable investment bank of international standing, to assist the Company in maximising value for all Shareholders by, amongst others, soliciting competing offer(s) for the Company (the "**Exercise**") which would be in the interests of all Shareholders.

[19] Section 3 of the Company's announcement of 17 May 2022 entitled "Announcement in relation to: (I) the voluntary conditional cash offer by Sanjuro United Pte. Ltd.; and (II) appointment of financial adviser to assist the Company in maximising shareholder value".

The Current Ong Directors note that the estimated adjusted revalued net asset value of the Shares stood at S$0.5052 per Share[20] as of 31 December 2021 as stated in Section 7.3 of the IFA Letter. The Company is continuing to take active steps under the Exercise to maximise shareholder value by, amongst others, soliciting competing offer(s) for the Company with the assistance of Evercore.

The Current Ong Directors appreciate the ongoing efforts of Evercore. The Current Ong Directors note that the Offeror has announced on 7 June 2022 the revision of its Original Offer Price from S$0.37 per Offer Share to S$0.40 per Offer Share being the Revised Offer Price. This represents an approximately 8.11% increase in the Offer price. The Current Ong Directors also note from the Revised Offer Announcement that "*the Offeror does not intend to revise the Revised Offer Price, save that the Offeror reserves the right to do so in a competitive situation*". In this regard, the Current Ong Directors would highlight that Evercore is continuing to, amongst others, solicit competing offer(s) for the Company, and the Company will make an appropriate announcement in the event of any material developments.

Based on publicly available information as at the Latest Practicable Date, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it; and (b) valid acceptances of the Offer, amount to an aggregate of 162,226,700 Shares, representing approximately 24.86% of the total number of Shares. This means that if the Offeror obtains additional acceptances of the Offer in respect of more than 25.14% of the total Shares, the Offer will turn unconditional, and the Shareholders who have not accepted the Offer may not have the opportunity to find out if there are other parties which may be willing to offer a price higher than the Revised Offer Price for the Shares.

The Company will make an appropriate announcement in the event of any material developments relating to the Exercise. Shareholders should note that there is no assurance that any transaction will materialise from the Exercise. In the meantime, Shareholders are advised to exercise caution when dealing in the Shares of the Company. Should the Offer be unsuccessful, the Current Ong Directors intend to conduct a comprehensive strategic review of the Company, with a view to unlocking and maximising shareholder value.

The views of the Current Ong Directors expressed above (for which the Current Ong Directors take responsibility) are not shared by Mr Huang Yuan Chiang.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders may accept the Offer in respect of all or any part of their holdings of Shares. Shareholders who wish to **accept the Offer** must do so not later than **5.30 p.m. (Singapore time) on Tuesday, 28 June 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror**. There are different procedures for acceptance for Depositors whose Securities Accounts are or will be credited with Shares and for Shareholders who hold Shares in scrip form. Shareholders who wish to accept the Offer should take note of the "Procedures for Acceptance" set out in Appendix V to the Offer Document.

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

12. OVERSEAS PERSONS

Shareholders whose mailing addresses are outside Singapore, as shown on the Register or, as the case may be, in the Depository Register (each, an "**Overseas Person**") should refer to Section 8 of the Offer Document, an extract of which is set out in italics below.

*"**8. OVERSEAS PERSONS***

*The availability of the Offer to Shareholders whose mailing addresses are outside of Singapore (as shown on the register of members of the Company or, as the case may be, in the records of CDP) (each, an "**Overseas Person**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, any Overseas Person should inform himself about and observe any applicable legal requirements, and exercise caution in relation to the*

[20] Prior to expenses and costs in relation to the Offer as stated in Section 10(a) of Appendix II to this Circular.

Offer, as this Offer Document, the Acceptance Forms and/or any related documents have not been reviewed by any regulatory authority in any overseas jurisdiction. ***Where there are potential restrictions on sending this Offer Document, the Acceptance Forms and/or any related documents to any overseas jurisdictions, the Offeror, the Offeror's Financial Adviser, CDP and the Share Registrar each reserves the right not to send these documents to Shareholders in such overseas jurisdictions. For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom this Offer Document, the Acceptance Forms and/or any related documents have not been, or may not be, sent.***

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

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

Overseas Persons may, nonetheless, obtain copies of this Offer Document, the Acceptance Forms and/or any related documents, during normal business hours and up to the Closing Date, from the Offeror through its receiving agent, (a) CDP (if he is a depositor) by submitting a request to CDP via phone (+65 6535 7511) or email services (asksgx@sgx.com); or (b) the Share Registrar (if he is a scripholder), Boardroom Corporate & Advisory Services Pte. Ltd. At its office located at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632.

Alternatively, an Overseas Person may write to the Offeror through CDP (if he is a depositor) at Robinson Road Post Office, P.O. Box 1984, Singapore 903934, or the Share Registrar (if he is a scripholder) at its office address listed above, to request for this Offer Document, the Acceptance Forms and/or any related documents to be sent to an address in Singapore by ordinary post at the Overseas Person's own risk, up to five (5) Market Days prior to the Closing Date.

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

The Offeror and the Offeror's Financial Adviser each reserves the right to notify any matter, including the fact that the Offer has been made or any revision to the Offer, to any or all Shareholders (including Overseas Persons) by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including an Overseas Person) to receive or see such announcement, notice or advertisement."

The Constitution provides that any notice or document may be served on or delivered to any Shareholder either personally or by sending it through the post in a prepaid cover addressed to such Shareholder at his registered address appearing in the Register or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. The Constitution further provides that any Shareholder described in the Register of Members or the Depository Register (as the case may be) by an address not within Singapore who from time to time gives notice in writing to the Company or the Depository of an address within Singapore at which notices, communications and/or documents may be served upon him is entitled to have served upon him at such address any notice, communications and/or documents to which he would be entitled under the Constitution but, save as aforesaid, no Shareholder other than a Shareholder with a registered address within Singapore is entitled to receive any notice, communications and/or documents from the Company.

Accordingly, and due to potential restrictions on sending this Circular to overseas jurisdictions, this Circular has not been and will not be sent to any Overseas Person who has not provided, and will not provide, the Company with an address within Singapore at which notices or documents may be served upon him. Any affected Overseas Person may nonetheless (subject to compliance with applicable laws) attend in person and obtain copies of this Circular during normal business hours and up to 5.30 p.m. (Singapore time) on the Closing Date, from the office of the Share Registrar located at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632. Alternatively, an Overseas Person may (subject to compliance with applicable laws) write to the Share Registrar at the above-stated address to request for this Circular to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.

In requesting for this Circular and any related documents, each of the Overseas Persons represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

13. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

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

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. Subject to the Offer becoming or being declared unconditional in all respects, CPFIS Investors and SRS Investors who accept the Offer will receive the payment of the Revised Offer Price payable in respect of their Offer Shares validly tendered in acceptance of the Offer through appropriate intermediaries in their CPF investment accounts and SRS investment accounts.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company (including any who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than those relating to the Offeror, parties acting or deemed to be acting in concert with the Offeror, the Offer, the IFA Letter, the Valuation Reports and/or Certificates) are fair and accurate and that no material facts have been omitted from this Circular, and they jointly and severally accept responsibility accordingly.

In respect of the IFA Letter and the Valuation Reports and/or Certificates, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are, after having made all reasonable enquiries and to the best of their knowledge and belief, fair and accurate in all material aspects.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement, Offer Document and the Revised Offer Announcement), the sole responsibility of the Directors of the Company has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
HWA HONG CORPORATION LIMITED

Ong Eng Loke
Acting Group Managing Director

APPENDIX I

LETTER FROM PROVENANCE CAPITAL TO THE RECOMMENDING DIRECTORS

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

14 June 2022

To: The Recommending Directors of Hwa Hong Corporation Limited
(who are all deemed to be independent in respect of the Offer)

Mr Ong Mui Eng	(Executive Director)
Mr Ong Eng Loke	(Executive Director & Acting Group Managing Director)
Mr Ong Eng Keong	(Non-Executive Director)
Dr Ong Eng Hui David	(Non-Executive Director)
Mr Huang Yuan Chiang	(Non-Executive Director)

Dear Sirs,

VOLUNTARY CONDITIONAL CASH OFFER FOR HWA HONG CORPORATION LIMITED

*Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to shareholders of Hwa Hong Corporation Limited dated 14 June 2022 ("**Circular**"). The latest practicable date as referred to in the Circular and for the purposes of this letter ("**Letter**") is 7 June 2022 ("**Latest Practicable Date**"). For the purpose of our IFA Letter, where applicable, we have used the foreign exchange rate of GBP1.00 : S$1.73 as at 31 May 2022 (as extracted from published information by Bloomberg L.P.) and is provided solely for information only.*

1. INTRODUCTION

1.1 Offer Announcement

On 17 May 2022 ("**Offer Announcement Date**"), Oversea-Chinese Banking Corporation Limited ("**OCBC**") announced ("**Offer Announcement**"), for and on behalf of Sanjuro United Pte. Ltd. ("**Offeror**"), that the Offeror intends to make a voluntary conditional cash offer ("**Offer**") in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers ("**Code**") for all the issued and paid-up ordinary shares ("**Shares**") in the capital of Hwa Hong Corporation Limited ("**Company**"), other than Shares held in treasury and those Shares held, directly or indirectly, by the Offeror as at the date of the Offer ("**Offer Shares**").

The offer price for each Offer Share is **S$0.370 in cash** ("**Initial Offer Price**").

The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding more than 50% of the total number of Shares (excluding Shares held in treasury) as at the close of the Offer ("**Minimum Acceptance Condition**").

As at the Latest Practicable Date, the issued and paid-up share capital of the Company comprises 652,661,100 Shares (excluding 842,900 treasury shares). The Company does not have any outstanding options.

The Offeror is a special purpose vehicle incorporated in Singapore and its paid-up share capital comprising 100 ordinary shares ("**Offeror Shares**") are held by a consortium of shareholders ("**Consortium**"), namely Ely Investments (Pte) Ltd. ("**EIPL**") (30.00%), Ergonomix Ltd. ("**EL**") (29.00%), Crystalic Star Global Limited ("**CSGL**") (29.00%) and Roswell Assets Limited ("**RAL**") (12.00%). As at the Offer Announcement Date, the Offeror does not hold any Shares.

As at the Offer Announcement Date, the Consortium and parties acting in concert with it held, in aggregate, 158,524,640 Shares, representing approximately 24.29% of the total issued Shares (excluding treasury shares) and each of them had executed their respective irrevocable undertakings to *inter alia* accept the Offer in respect of the Shares held by them.

1.2 Post Offer Announcement Date up to the Latest Practicable Date, and Revised Offer

Offer Document

On 31 May 2022, the Offeror announced that the formal offer document dated 31 May 2022 ("**Offer Document**") setting out the detailed terms and conditions of the Offer, has been despatched to shareholders of the Company ("**Shareholders**"), and a copy of the Offer Document is also available on the SGXNET.

The Offeror had acquired, in total, 100,000 Shares in the open market at S$0.37 each on 18 May 2022.

The total number of Offer Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting or deemed to be acting in concert with the Offeror as at 24 May 2022 are disclosed in Appendix III to the Offer Document. These Shares amounted to 159,231,940 Shares, representing 24.40% of the total number of issued Shares (excluding treasury shares).

Revised Offer

Before trading hours on 7 June 2022, the Offeror announced ("**Revised Offer Announcement**") the revision in the offer price from S$0.37 to **S$0.40** ("**Revised Offer Price**"). The Offeror has also stated that it does not intend to revise the Revised Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

The Revised Offer Announcement had disclosed *inter alia* the following Offeror's interest in the Shares as at 6 June 2022:

(a) valid acceptances received (including acceptances from parties acting in concert with the Offeror) of 4,962,660 Shares, representing 0.76% of the total number of Shares (excluding treasury shares); and

(b) total number of (i) Shares owned, controlled or agreed to be acquired by the Offeror and its concert parties and (ii) valid acceptances of the Offer (including acceptances from parties acting in concert with the Offeror), amounted to an aggregate of 161,226,700 Shares, representing 24.70% of the total number of Shares (excluding treasury shares).

The Offeror had further disclosed that save as disclosed in the Revised Offer Announcement, all the other terms and conditions of the Offer as set out in the Offer Document remain unchanged.

Latest Practicable Date

Based on publicly available information as at 7 June 2022, being the Latest Practicable Date, the Offeror had further acquired 1,000,000 Shares in the open market at S$0.40 each on that day. As a result, the total number of (i) Shares owned, controlled or agreed to be acquired by the Offeror and its concert parties and (ii) valid acceptances of the Offer (including acceptances from parties acting in concert with the Offeror), amounted to an aggregate of 162,226,700 Shares, representing 24.86% of the total number of Shares (excluding treasury shares).

1.3 Our role as Independent Financial Adviser to the Offer

In connection with the Offer, the Company has appointed us, Provenance Capital Pte. Ltd. ("**Provenance Capital**"), as the independent financial adviser ("**IFA**") to advise the directors of the Company ("**Directors**") who are deemed to be independent in respect of the Offer ("**Recommending Directors**"), and for the purposes of making their recommendation to Shareholders in relation to the Offer.

As at the Latest Practicable Date, the Directors are as follows:

(i) Mr Ong Mui Eng, Executive Director*
(ii) Mr Ong Eng Loke, Executive Director & Acting Group Managing Director
(iii) Mr Ong Eng Keong, Non-Executive Director
(iv) Dr Ong Eng Hui David ("**Dr David Ong**"), Non-Executive Director
(v) Mr Huang Yuan Chiang, Non-Executive Director

* The Company had announced on 5 May 2022 that Mr Ong Mui Eng had tendered his resignation as part of the Company's succession planning and that his resignation will take effect on 31 July 2022.

Mr Ong Mui Eng is the father of Mr Ong Eng Loke, and uncle of Mr Ong Eng Keong and Dr David Ong (collectively "**Current Ong Directors**"). Mr Ong Eng Loke, Mr Ong Eng Keong and Dr David Ong are cousins.

Mr Huang Yuan Chiang is unrelated to the Ong family members. He was re-designated from Independent Director to Non-Executive, Non-Independent Director of the Company on 18 April 2022 as he had served more than 9 years as an Independent Director of the Company but did not pass the 2-tier vote during the Company's last annual general meeting held on 18 April 2022 ("**AGM**").

The Company has confirmed that all the Directors are deemed to be independent in respect of the Offer, and accordingly will make their recommendations on the Offer as Recommending Directors after considering the opinion of the IFA on the Offer.

This Letter is therefore addressed to the Recommending Directors and sets out, *inter alia*, our evaluation of the financial terms of the Offer and our recommendations on the Offer. This Letter forms part of the Circular which provides, *inter alia*, details of the Offer and the recommendations of the Recommending Directors to Shareholders on the Offer.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA to advise the Recommending Directors in respect of their recommendations to Shareholders in relation to the Offer.

We have confined our evaluation and assessment to the financial terms of the Offer, and have not taken into account the commercial risks or commercial merits of the Offer. In addition, we have not been requested to, and we do not express any advice or give any opinion on the merits of the Offer relative to any other alternative transaction. We were not involved in the

negotiations pertaining to the Offer nor were we involved in the deliberations leading up to the decision to put forth the Offer to Shareholders.

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position or earnings potential of the Company and its subsidiaries ("**Group**"). Such evaluation or comments remain the responsibility of the Directors 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 opinion. The opinion set forth herein is based solely on publicly available information as well as information provided by the Directors and the management of the Group ("**Management**"), and is predicated on the economic and market conditions prevailing as at the Latest Practicable Date. This Letter therefore does not reflect any projections on the future financial performance of the Group and we do not express any views as to the prices at which the Shares may trade after the close of the Offer.

We have not been requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares. In this regard, we have not addressed the relative merits of the Offer in comparison with any alternative transaction the Company may consider in the future. Therefore, we do not express any views in these areas in arriving at our recommendation.

In formulating our opinion and recommendation, we have had discussions with the Directors and Management and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Company and its other professional advisers. Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the information both written and verbal, and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. Nonetheless, we have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, the Group's properties as well as properties held under the Group's investment in associates and joint ventures).

However, in connection with the Offer, the Company had commissioned CBRE Pte. Ltd. ("**CBRE**"), Allied Appraisal Consultants Pte Ltd ("**Allied Appraisal**"), Savills Advisory Services Limited ("**Savills**") and Gerald Eve LLP ("**Gerald Eve**") (collectively "**Valuers**") to carry out independent valuations of certain of the Group's properties in Singapore and the United Kingdom ("**UK**"). Copies of their respective valuation reports are attached as Appendix V to the Circular. Details of the Group's properties and their respective valuations, where relevant, are set out in Section 6.2.2 and Section 7.1 of this Letter.

We are not experts in the evaluation or appraisal of the properties concerned, and for the purposes of evaluating and assessing the financial terms of the Offer, while we have taken into account, *inter alia*, the independent valuations carried out by the Valuers, we have not made any independent verification of the contents thereof.

Savills had requested for us to include in this Letter the following terms of engagement that it had entered into with the Company:

"*Savills did not prepare the Circular or this Letter and does not accept any responsibility for any part of the Circular or this Letter or any other document issued by or on behalf of the Company in connection with the Offer.*

Savills' liability is several and not joint, and Savills shall not be liable for any other party's breach or negligence. The attention of prospective investors is drawn to the basis of preparation of Savill's Valuation Report (including the basis for reliance) as set out therein. Savills accepts responsibility only for the information contained in its Valuation Report, subject to the specific conditions set out in its Valuation Report. Savill's Valuation Report was prepared solely on the instructions of the Company and subject to terms, including limitations on liability agreed between Savills and the Company. Savills has not been made aware by the Company or any other parties of any material change in any matter relating to the properties which are the subject of its Valuation Report since the date of its Valuation Report.

No reliance may be placed upon the contents of Savill's Valuation Report by any party for any purpose other than the purpose for which its Valuation Report was prepared."

The information we have relied on in the assessment of the Offer was based on market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date, which may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or assumptions contained herein. Shareholders should take note of any announcements relevant to their consideration of the Offer which may be released or published after the Latest Practicable Date.

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

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

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

Our opinion is addressed to the Recommending Directors for their benefit and deliberation of the Offer. Their recommendation made to the Shareholders in relation to the Offer shall remain the responsibility of the Recommending Directors.

Our recommendation to the Recommending Directors in relation to the Offer should be considered in the context of the entirety of this Letter and the Circular.

Responsibility Statement by the Directors

The Directors have confirmed that, to the best of their knowledge and belief, all material information relating to the Company and the Group provided to us in connection with the Offer, is true, complete and accurate in all material respects and there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Offer to be inaccurate, incomplete or misleading in any material respect. The Directors jointly and severally accept responsibility accordingly.

3. THE OFFER

The detailed terms and conditions of the Offer are set out in Section 2 and Appendix IV of the Offer Document and the Revised Offer Announcement. The key terms of the Offer are set out below for your reference:

3.1 Offer Shares

The Offer is extended, on the same terms and conditions, to all the Shares, other than those Shares held in treasury and those Shares held, directly or indirectly, by the Offeror, as at the date of the Offer.

3.2 Initial Offer Price and Revised Offer Price

The offer price for each Offer Share has been revised from the **Initial Offer Price of S$0.37 in cash to the Revised Offer Price of S$0.40 in cash**.

The Offeror has stated that it does not intend to revise the Revised Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

Shareholders who have earlier accepted the Offer are entitled to the Revised Offer Price, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms. Accordingly, no further action in respect of the Offer is required to be taken by Shareholders who have already validly accepted the Offer.

Save as disclosed in the Revised Offer Announcement, all the other terms and conditions of the Offer as set out in the Offer Document remain unchanged.

3.3 No Encumbrances

The Offer Shares will be acquired:

(a) fully paid;

(b) free from all Encumbrances (as defined in the Offer Document); and

(c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain (if any) all dividends, rights, other distributions and/or return of capital (collectively, "**Distributions**") announced, declared, paid or made by the Company on or after the Offer Announcement Date.

For the avoidance of doubt, the Offeror has clarified that Shareholders will retain the final one-tier tax exempt dividend of one (1) cent per Share proposed by the Directors for the financial year ended 31 December 2021 ("**FY2021 Dividend**") in addition to receiving the Offer Price. The FY2021 Dividend was paid out to Shareholders on 19 May 2022.

In the event that any Distribution (other than the FY2021 Dividend) has been paid or made by the Company to a Shareholder who accepts or has accepted the Offer and the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution paid or made by the Company to such accepting Shareholder.

Save for the FY2021 Dividend, since the Offer Announcement Date and up to the Latest Practicable Date, we note that the Company has not made or declared any Distribution.

Reference to "Offer Price" above would now refer to the Revised Offer Price as Offeror has stated in the Revised Offer Announcement that save as disclosed in the Revised Offer Announcement, all the other terms and conditions of the Offer as set out in the Offer Document remain unchanged.

3.4 Conditional Offer

The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with the Offeror holding more than 50% of the total number of Shares (excluding treasury shares) as at the close of the Offer, i.e. the Minimum Acceptance Condition.

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

As at the Latest Practicable Date, the Offer has not become or been declared to be unconditional in all respects.

3.5 Closing date of the Offer

As set out in the Offer Document, the Offer will close at 5.30 p.m. (Singapore time) on 28 June 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Pursuant to Rule 20.1 of the Code, the Offer must be kept open for at least 14 days from the date of posting of the written notification of revision to Shareholders.

In the Revised Offer Announcement, the Offeror had stated that a written notification will be posted to all Shareholders in respect of the Revised Offer Price and the Offer will remain open for acceptance for not less than 14 days from the date of posting of such written notification.

3.6 Further details of the Offer

Further details of the Offer are set out in Section 2 of the Offer Document and Appendix IV and Appendix V to the Offer Document, including details on (a) the settlement of the consideration for the Offer; (b) the requirements relating to the announcement(s) of the level of acceptances of the Offer; (c) the right of withdrawal of acceptances of the Offer; and (d) the procedures for acceptance of the Offer.

4. SALIENT INFORMATION ON THE OFFEROR, THE CONSORTIUM AND IRREVOCABLE UNDERTAKINGS

Details on the Offeror, the Consortium and the Irrevocable Undertakings are set out in Sections 3 and 5 of the Offer Document, and Appendix I to the Offer Document.

4.1 Offeror

The Offeror is a special purpose vehicle incorporated in Singapore on 3 February 2020 and its principal activity is investment holding.

As disclosed in the Offer Document, the Offeror presently has an issued and paid-up share capital comprising 100 ordinary shares which are held by the 4 members of the Consortium, and each member of the Consortium had appointed a director on the board of the Offeror. The

current shareholding interests of the Consortium members in the Offeror and their respective appointed directors on the board of the Offeror are set out in the table below:

Shareholders of the Offeror	Shareholding interests in the Offeror	Directors of the Offeror
EIPL	30.00%	Mr Ong Eng Yaw
EL (as General Partner for and on behalf of Ergonomix, L.P.)	29.00%	Mr Chiu Yoong Chian Gerald ("**Gerald Chiu**")
CSGL	29.00%	Mr Cheng Zen-Tak, Kelvin ("**Kelvin Cheng**")
RAL	12.00%	Mr Seow Voon Ping
Total	**100.00%**	

EIPL

EIPL is a private limited company incorporated under the laws of Singapore on 28 November 1980. EIPL is wholly-owned by Mr Ong Choo Eng and his family (including his son, Mr Ong Eng Yaw).

With respect to the Company, Mr Ong Choo Eng and Mr Ong Eng Yaw are substantial Shareholders. Mr Ong Choo Eng was previously the Group Managing Director and retired on 23 April 2021 from this position. Mr Ong Eng Yaw joined the Company as Manager for Investments on 1 August 2008. Mr Ong Eng Yaw was subsequently appointed as Chief Operating Officer and thereafter, the Acting Group Managing Director. Mr Ong Eng Yaw relinquished his role as Acting Group Managing Director on 18 April 2022.

EL

EL is an exempted company with limited liability incorporated under the laws of the Cayman Islands on 22 January 2020. EL is acting as general partner for and on behalf of Ergonomix, L.P.. EL, through Diamond GP Holdings II Ltd, is wholly-owned by Dymon Asia Private Equity (S.E. Asia) Fund II, L.P. ("**Dymon Fund**"). The limited partners of Ergonomix, L.P. are Dymon Asia Private Equity (S.E. Asia) Fund II Pte. Ltd. and M3 Capital Pte. Ltd. The Dymon Fund has committed funds of US$450 million and is managed by Dymon Asia Private Equity (Singapore) Pte. Ltd., which is a Singapore-based fund manager licensed by the Monetary Authority of Singapore. Mr Gerald Chiu is a founding partner of Dymon Asia Private Equity. M3 Capital Pte. Ltd. is a private limited company incorporated under the laws of Singapore on 13 July 2015 and is wholly-owned by Mr Goh Tiong Yong and his family.

CSGL

CSGL is a limited company incorporated in the British Virgin Islands on 4 January 2022. CSGL is a wholly-owned subsidiary of Zen Capital Pte. Ltd. ("**Zen Capital**"), a private limited company incorporated in Singapore on 31 October 2018. The sole shareholder of Zen Capital is Mr Kelvin Cheng. The principal activity of each of CSGL and Zen Capital is investment holding.

Mr Kelvin Cheng is a senior investment professional and investor with approximately 20 years' investment experience in Asian real estate securities, covering research, portfolio management and investment strategy. He is currently the Chief Investment Officer and Managing Director of a private family office.

RAL

RAL is a limited company incorporated in the British Virgin Islands on 5 April 2004. The shareholders of RAL are Mr Seow Voon Ping and Ms Yee Chin Shiar.

Mr Seow Voon Ping is currently the Group Managing Director of the Newfields Group, a holding company with principal activities in corporate finance, real estate development, and investment. He is also the Managing Director of Marloes Asset Management Pte Ltd, a private family office. Mr Seow Voon Ping can leverage his expertise in and understanding of the real estate industry and 23 years of investment experience in public and private equities.

Ms Yee Chin Shiar is a high net worth individual.

Eventual shareholding of the Offeror

The Offeror had disclosed that the Offer will be funded by a combination of interest-free shareholders' loans (including the relevant Consortium loans) and bank loan and subject to certain maximum funding amounts as agreed between the members of the Consortium. Accordingly, the eventual shareholding of the Offeror after the completion of the Offer will be adjusted to reflect the funding contributions of each member of the Consortium. Depending on the acceptances received in respect of the Offer and based on the offer price, it is expected that the eventual shareholding of the Offeror will be as follows:

Shareholders of the Offeror	Shareholding interests in the Offeror
EIPL	31.80% to 44.51%
EL	19.10% to 27.93%
CSGL	19.10% to 27.93%
RAL	12.35% to 17.28%

4.2 Irrevocable Undertakings

The Consortium and the Offeror have entered into certain Consortium arrangements including a consortium and shareholders' agreement to, amongst others, regulate the relationship of the Consortium *inter se* as shareholders of the Offeror and in the conduct of the business and affairs of the Offeror (including the Offer).

Each of the members of the Consortium and its/his concert parties (including Mr Kelvin Cheng's mother, Ms Helen Chow) has provided Irrevocable Undertakings in favour of the Offeror to accept the Offer in respect of the Offer Shares held by each of them, as set out in the table below:

	No. of Shares held	% of total issued Shares (excluding treasury shares)
EIPL[1]		
- Mr Ong Choo Eng	3,178,000	0.49
- Mr Ong Eng Yaw	5,967,200	0.91
- Ms Ong Bee Leem	151,440	0.02
- EIPL	80,986,000	12.41
Sub-total	***90,282,640***	***13.83***
CSGL[2]		
- Ms Helen Chow	27,967,900	4.29
RAL	40,274,100	6.17
Total	**158,524,640**	**24.29**

Notes:

(1) Mr Ong Choo Eng is the father of Mr Ong Eng Yaw and Ms Ong Bee Leem, Mr Ong Eng Yaw and Ms Ong Bee Leem are siblings. EIPL is owned by Mr Ong Choo Eng and his family (including his son, Mr Ong Eng Yaw); and

(2) Ms Helen Chow is the mother of Mr Kelvin Cheng, who is the ultimate sole owner of CSGL.

Each of the Irrevocable Undertakings will terminate, lapse and cease to have any effect if the Offer is withdrawn, lapses or fails to become unconditional in all respects for whatever reason, other than due to a breach by the relevant undertaking Shareholder of any of his/her/its obligations under the Irrevocable Undertaking.

The Offer Document had disclosed that save for the Irrevocable Undertakings, neither the Offeror nor any party acting in concert with it has received any irrevocable undertaking from any other party to accept or reject the Offer.

4.3 Aggregate number of Shares held by the Offeror and its concert parties

As disclosed in the Revised Offer Announcement, the total number of Offer Shares owned, controlled or agreed to be acquired by the Offeror and its concert parties and valid acceptances of the Offer, amounted to 161,226,700 Shares, representing 24.70% of the total number of issued Shares (excluding treasury shares) as at 6 June 2022.

Based on publicly available information as at the Latest Practicable Date, the total number of (i) Shares owned, controlled or agreed to be acquired by the Offeror and its concert parties and (ii) valid acceptances of the Offer (including acceptances from parties acting in concert with the Offeror), amounted to an aggregate of 162,226,700 Shares, representing 24.86% of the total number of Shares (excluding treasury shares).

5. RATIONALE FOR THE OFFER, OFFEROR'S INTENTIONS FOR THE COMPANY AND LISTING STATUS

5.1 Rationale for the Offer and the Offeror's intention relating to the Company

The full text of the Offeror's rationale for the Offer and intentions for the Company is set out in Section 6 of the Offer Document.

In summary, the Offeror's rationale for the Offer is as follows:

(a) the Offer represents an attractive cash exit opportunity for Shareholders to realise their entire investment in cash with price certainty at a compelling premium, without brokerage and other trading costs;

(b) the Company, as with many property-related businesses, faces a challenging and unprecedented macro and operating environment driven by COVID-19, geopolitical tensions and Brexit. The Offeror is of the view that the Offer represents an attractive opportunity for Shareholders to exit their investment in an uncertain economic environment;

(c) the recent changes to the Board after the 2022 AGM, where the Board is currently majority-controlled by certain close family members and substantial shareholders, with no independent directors on the Board, and the Company has also been served with a Notice of Compliance by the SGX-ST. These developments create uncertainty in the future direction and strategy of the Company. The Offeror believes that its Offer is a viable exit alternative for Shareholders who do not wish to be subject to the risk of uncertainty in the direction and strategy of the Company;

(d) opportunity for Shareholders to exit their investment, which may otherwise by difficult due to low trading liquidity of the Shares; and

(e) in the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of its listed status and focus its resources on its business operations.

In summary, after the close of the Offer, the Offeror intends to regularise any non-compliance with applicable rules, regulations and/or guidelines relating to the Board composition of the Company including addressing issues raised by the Notice of Compliance by the SGX-ST (if the Company is to remain listed on the SGX-ST). Thereafter, the Offeror intends to undertake a review of the key management appointments, business plans, strategy and operations of the Company and evaluate various options or opportunities which may present themselves, having regard to the interests of the Company and/or the Offeror.

Save as disclosed above and subject to the review by the Offeror as described above, the Offeror does not currently have any intention to (i) make any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of the existing employees of the Group, other than in the ordinary course of business.

Details of the above Offeror's intentions for the Company are set out in Section 6.6 of the Offer Document.

In the Revised Offer Announcement, the Offeror had expressed that "*the Revised Offer Price reinforces the compelling and attractive exit opportunity for Shareholders, to realise their entire investment in cash at an attractive price and a compelling premium amidst low trading liquidity and ongoing market volatility, without incurring brokerage and other trading costs. The Offer remains, at present, the only offer available for acceptance by Shareholders to realise their investment in the Company*."

5.2 Listing Status of the Company

The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to support or take any step (including the placing out of Shares by the Offeror) for the public float to be restored and/or for any trading suspension of

the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Shares (excluding treasury shares) are held in public hands. In addition, the Offeror reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual.

Details on the compulsory acquisition under Section 215(1) of the Companies Act and voluntary delisting under the SGX-ST Listing Manual are set out in Section 7 of the Offer Document.

6. SALIENT INFORMATION ON THE COMPANY AND THE GROUP

General information on the Company is set out in Section 4 and Appendix II to the Circular.

6.1 Overview

The Company is incorporated in Singapore on 29 December 1952 and listed on the Main Board of the SGX-ST on 26 July 1979. The principal activities of the Group are property rental, property investment and development, and investment holding. The Group is headquartered in Singapore and operates in Singapore and the UK.

As at the Latest Practicable Date, the Company has a paid-up share capital of S$172.2 million comprising 652,661,100 issued Shares and 842,900 treasury shares. The Company does not have any outstanding options or any rights, warrants or other securities convertible into, exercisable for or redeemable for any Shares.

The Company previously had in place the "Hwa Hong Corporation Limited (2001) Share Option Scheme" which has since lapsed on 28 May 2021. As at the Latest Practicable Date, the Company confirms that no options are outstanding under the above scheme.

Based on the Revised Offer Price of S$0.40 and the number of issued Shares (excluding treasury shares), the implied market capitalisation of the Company is approximately S$261.1 million ("**Implied Market Capitalisation**").

The Directors are as follows:

(i) Mr Ong Mui Eng, Executive Director*
(ii) Mr Ong Eng Loke, Executive Director & Acting Group Managing Director
(iii) Mr Ong Eng Keong, Non-Executive Director
(iv) Dr David Ong, Non-Executive Director
(v) Mr Huang Yuan Chiang, Non-Executive Director

* The Company had announced on 5 May 2022 that Mr Ong Mui Eng had tendered his resignation as part of the Company's succession planning and that his resignation will take effect on 31 July 2022.

Mr Ong Mui Eng is the father of Mr Ong Eng Lok, and uncle of Mr Ong Eng Keong and Dr David Ong. Mr Ong Eng Lok, Mr Ong Eng Keong and Dr David Ong are cousins. Mr Huang Yuan Chiang is unrelated to the Ong family. The Company has confirmed that all the Directors are deemed independent in respect of the Offer.

As at the Latest Practicable Date, the Directors' shareholding interests in the Company are as follows:

Directors	Direct and deemed interests (No. of Shares)	% shareholding interest in the Company[1]
Mr Ong Mui Eng	11,827,412	1.812
Mr Ong Eng Loke	36,974,858	5.665
Mr Ong Eng Keong	-	-
Dr David Ong	41,185,000	6.310
Mr Huang Yuan Chiang	-	-
Total	**89,987,270**	**13.787**

Note:

(1) Based on 652,661,100 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

The intentions of the Directors in relation to their holdings of the Shares with respect to the Offer are set out in paragraph 5.9 of Appendix II to the Circular.

The Company is majority owned by various Ong family members. Mr Ong Choo Eng and his immediate family members, who are part of the Consortium in relation to the Offer, own 13.83% of the Shares as disclosed in Section 4.2 of this Letter. The Current Ong Directors and their immediate family members own approximately 29.26% of the Shares. The Company estimates that the other Ong family members own approximately 10.9% of the Shares.

As disclosed in the Company's annual report for FY2021, as at 1 March 2022, approximately 34.57% of the Shares are held in public hands.

6.2 Salient financial information of the Group

The Group derives significant revenue contribution from rental income from its investment properties and dividend income from investment securities. Cost of sales include direct operating expenses arising from rental generating properties and depreciation of investment properties.

Changes in fair value of investment securities which are fair valued through profit or loss ("**FVPL**"), are accounted for before arriving at gross profit, while changes in fair value of investment securities which are fair valued through other comprehensive income ("**FVOCI**") will affect total comprehensive income of the Group.

The Group also has significant other income contributed mainly from gain on disposal of investment properties.

The Group has investment in associates and investment in joint ventures, and the Group's share of results of associates and joint ventures is separately disclosed in the financial results of the Group.

The Group's activities are mainly in Singapore and UK.

6.2.1 Financial performance of the Group

Set out below is a summary of the financial performance of the Group for the last 3 financial years ended 31 December, namely FY2019, FY2020 and FY2021:

S$'000	Audited FY2019	FY2020	FY2021
Revenue	14,524	10,311	10,124
Cost of sales	(4,239)	(4,278)	(4,403)
Changes in fair value of investment securities	470	5,225	(137)
Gross profit	10,755	11,258	5,584
Other income	3,619	6,978	5,601
General and administrative costs	(5,957) [(1)]	(6,484)	(5,835)
Foreign exchange loss	-[(1)]	(161)	(112)
Other operating costs	(310)	(5,109)	(959)
Finance costs	(2,347)	(1,919)	(1,598)
Share of results of associates and joint ventures	1,338	505	2,757
Profit before tax	7,098	5,069[(2)]	5,438
Income tax credit/(expense)	(641)	(907)	348
Profit for the year	6,456[(2)]	4,161[(2)]	5,787[(2)]
attributable to:			
- Owners of the Company	6,481	4,155	5,717
- Non-controlling interests	(25)	7	70
Profit for the year	6,456	4,161	5,787
Net change on equity instruments at FVOCI	529	(1,463)	(368)
Other items	880	433	221
Total comprehensive income	7,865	3,132[(2)]	5,640
attributable to:			
- Owners of the Company	7,890	3,125	5,571
- Non-controlling interests	(25)	6	69

***Source**: Company's annual reports for FY2020 and FY2021*

Notes:

(1) The Group incurred a foreign exchange loss of S$206,095 in FY2019 which was included as part of the general and administrative costs in the consolidated income statement of the Group for FY2019; and

(2) Does not add up due to rounding.

Review of the financial performance of the Group

Revenue decreased by S$4.2 million from S$14.5 million in FY2019 to S$10.3 million in FY2020 due mainly to the significant decline in dividend income by S$3.4 million from investment securities (from S$4.3 million in FY2019 to S$0.9 million in FY2020). Rental income was slightly lower at S$9.0 million in FY2020 compared to S$9.6 million in FY2019. In FY2021, revenue was relatively stable compared to FY2020 with no significant variations in rental and dividend income.

Changes in fair value of the Group's investment securities from year to year had contributed to the recognition of gains and loss in the profit and loss statement as well as in the comprehensive income statement during FY2019 to FY2021.

Other income was due mainly to the gains on disposal of investment properties, amounting S$3.1 million in FY2019, S$5.9 million in FY2020 and S$4.1 million in FY2021. The Group also recognised a gain on disposal of a joint venture of S$0.8 million in FY2021. In view of the COVID-19 pandemic, the Group also benefitted from government grants of S$0.7 million in FY2020 and S$93K in FY2021.

The Group had incurred significant other operating costs in FY2020 due mainly to impairment loss in other receivables of S$2.0 million, and impairment loss in investment properties of S$3.1 million. The impairment loss on other receivables was due mainly to write-off on the deferred rental receivables of a tenant in London which had gone into administration during the COVID-19 pandemic and government imposed lockdown in the UK. The impairment loss in investment properties was due to the decline in fair value of the investment properties.

Finance costs had decreased from FY2019 to FY2021 due mainly to lower average loan balances and decline in interest rates.

Share of results of associates and joint ventures had varied from year to year depending on the performance of the associates and joint ventures, which are also engaged in property related activities.

As a result, profit after tax attributable to the owners of the Company had ranged between S$4.2 million and S$6.5 million during these last 3 years. The impact of FVOCI had affected total comprehensive income of the Group, particularly in FY2020, as the Group reported lower total comprehensive income of S$3.1 million.

6.2.2 Financial position of the Group

The audited statement of financial position of the Group as at 31 December 2021 is set out below:

S$'000	Audited as at 31 December 2021
Non-current assets	
Property, plant and equipment ("**PPE**")	3,875
Investment properties	142,556
Investment in associates	30,050
Investment in joint ventures	4,752
Investment securities	18,961
Other receivables and assets	4,700
	204,894
Current assets	
Trade receivables	822
Prepayments and deposits	161
Other receivables and assets	3,352
Amounts due from associates	6,227
Investment securities	23,387
Cash and bank balances	42,230
	76,178[(2)]
Investment property classified as held for sale	3,166
	79,343[(2)]
Total assets	**284,237**
Current liabilities	
Bank overdraft	377
Trade payables	362
Other payables	3,486
Accrued operating expenses	2,429
Amounts due to associates	1,996
Bank loans (secured)	52,599
Income tax payable	1,889
	63,138
Net current assets	**16,205**

S$'000	Audited as at 31 December 2021
Non-current liabilities	
Other payables	6,356
Bank loans (secured)	23,355
Deferred tax liabilities	5,211
	34,922
Total liabilities	**98,060**
Net assets	**186,177**
Equity	
Share capital	172,154
Treasury Shares	(260)
Reserves	14,230
Equity attributable to owners of the Company	**186,123**[(2)]
Non-controlling interests	54
Total equity	**186,177**

***Source**: The Company's annual report for FY2021*

Net asset value ("NAV") / Net tangible asset ("NTA") of the Group	**S$186,123,121**[(1)]
Number of issued Shares (excluding treasury shares)	**652,661,100**
NAV / NTA per Share	**S$0.2852**

Notes:

(1) NAV or NTA of the Group is based on equity attributable to owners of the Company; and

(2) Does not add up due to rounding.

Assets

As at 31 December 2021, the Group had total assets of S$284.2 million comprising significant property assets held by the Group, and through its associates and joint ventures, and investment in quoted and unquoted securities.

Details of the properties held under PPE, investment properties by the Group, investment in associates and joint ventures are set out in Notes 14, 15, 17, 18 and 34 to the audited financial statements of the Group for FY2021. A brief of these properties is summarised below:

(a) Properties held under PPE

The 2 properties, located at 38 & 40 South Bridge Road Singapore 058672/058674 and 400 Orchard Road #11-09/10 Orchard Towers Singapore 238875, are used as offices for the Group. They are accounted for at cost less accumulated depreciation and any accumulated impairment losses. The total net book value of these properties was $3.6 million as at 31 December 2021, representing only 1.3% of total assets, but are expected to have significant revaluation surpluses.

Therefore, for the purposes of the Offer, the Company has commissioned an independent valuation of these properties.

(b) Investment properties held by the Group

Investment properties amounted to S$142.6 million as at 31 December 2021, representing 50.2% of total assets. These properties contributed rental income to the

Group which accounted for 66% of total revenue in FY2019, 87% in FY2020 and 89% in FY2021.

Investment properties are accounted for at cost less accumulated depreciation and any accumulated impairment losses. Valuation of investment properties is performed for disclosure purposes and impairment assessments. The Group has a policy to obtain external independent valuations for its properties once every 3 years and management's valuations are carried out annually.

The Company had disclosed in its annual report for FY2021 under the "Letter to Shareholders" that the Group's investment properties were carried at S$142.6 million in its balance sheet and their fair market value as at 31 December 2021 was S$240.0 million. The above results in a fair value surplus of S$97.4 million above the book values of the investment properties, and represents approximately S$0.1492 per Share.

For the purposes of the Offer, the Company had commissioned an independent valuation on most of these investment properties, except for the property located at 58 Queensgate London SW7 UK, which was marked as "Investment property classified as held for sale" in the balance sheet as at 31 December 2021. The above property, which was recorded at S$3.2 million, was subsequently sold in January 2022 at GBP10.75 million, resulting in a net gain (net of transaction costs and taxes) of approximately S$13.7 million in the current financial year, FY2022.

(c) Investment in associates and joint ventures

Associates

The Group's total investment in associates amounted to S$30.0 million as at 31 December 2021, representing 10.6% of total assets.

For the purposes of the Offer, the Company had also commissioned an independent valuation of certain of the properties held by these associates which are expected to result in material revaluation surpluses or deficits (save for Kilmuir House as explained below), and after taking into consideration expected share of loss from one of its investment in associates, namely Shorea Capital Pte. Ltd. ("**SCPL**").

The Company is unable to commission in time an independent valuation on Kilmuir House, London, UK for the purpose of the Offer as the proposed valuer had informed Management that they are conflicted out on this valuation exercise for the Company since they have been appointed by the Offeror to value Kilmuir House. The proposed valuer is also unable to share any valuation information on the property with the Company as they are subject to client confidentiality. Hence, for the purpose of the Offer, the Company had used the last independent valuation done on the property as at 31 March 2020. Management is of the view that the current Market Value of the property is not expected to be materially different from the last valuation done in March 2020.

Joint ventures

The Group's total net carrying value in 2 joint ventures amounted to S$4.8 million as at 31 December 2021, representing 1.7% of total assets. One of the joint venture entities holds Block E of Neo Bankside, London, UK and the other entity holds the retail units A, B, C (North), C (South) & D of Neo Bankside, London, UK.

For the purposes of the Offer, the Company had taken into consideration the independent valuation of the property at Block E of Neo Bankside last carried out on 21 December 2021 in relation to the securing of bank loans. Management is of the view that the current market valuation of Block E of Neo Bankside would not differ materially from its last

independent valuation and hence no independent valuation on the property was commissioned for the purpose of the Offer.

No independent valuation of the retail units A, B, C (North), C (South) & D of Neo Bankside was commissioned as Management is of the view that the current market valuation of the retail units A, B, C (North), C (South) & D of Neo Bankside would not have a material impact on the Group's NAV as at 31 December 2021.

(d) Investment securities

The Group has investments in quoted and unquoted securities in equity, non-equity and debt instruments which amounted to S$42.3 million as at 31 December 2021, representing 14.9% of total assets.

Current investment securities are fair valued at the end of the reporting period through profit or loss, while non-current investment securities are fair valued through other comprehensive income due to the Group's intention to hold these instruments for long-term appreciation.

For the purposes of the Offer, the Company has reviewed the mark-to-market valuation of the significant quoted and unquoted securities as at 31 May 2022 and taken into consideration the expected return arising from the disposal of the sole property held by one of the investment funds, GOGC Allen House, LP (Cayman).

Details of the valuation of the above properties and estimated mark-to-market surplus/(deficit) of the investment securities are set out in Sections 7.1 and 7.2 of this Letter.

Liabilities

As at 31 December 2021, the Group had total liabilities of S$98.1 million comprising mainly bank loans and overdraft of S$76.3 million (representing 77.8% of total liabilities).

Net of cash balances of S$42.2 million, the net gearing of the Group (net debt ÷ total equity) is approximately 0.18 times.

Equity/NAV/NTA

Total equity comprises mainly equity attributable to owners of the Company of S$186.1 million as at 31 December 2021 which also represents the NAV of the Group. As the Group does not have any intangible assets, its NAV is the same as its NTA.

NAV / NTA per Share was S$0.2852 as at 31 December 2021.

Taking into account the Company's FY2021 annual report disclosure of the fair value of its investment properties as disclosed in paragraph (b) above, the fair value surplus of these investment properties of S$97.4 million represents approximately S$0.1492 per Share, which would result in a revalued NAV per Share of S$0.4344.

There is no change in the number of issued Shares and number of treasury shares since 31 December 2021 and up to the Latest Practicable Date.

Post 31 December 2021

As mentioned above, subsequent to the financial year end of FY2021, the Company had completed the disposal of 58 Queensgate London SW7 UK in January 2022 which would result in a net gain on disposal of S$13.7 million in the current financial year, FY2022.

The Company had also, on 19 May 2022, paid the final dividend of S$0.01 per Share amounting to S$6,526,611 following Shareholders' approval at the AGM on 18 April 2022.

For FY2021, the Group had not recognised losses relating to its 50%-owned associate, SCPL, where its share of losses had exceeded the Group's interest in this associate. The Group has no obligation in respect of these losses. However, post 31 December 2021, the Group had made further capital injections to SCPL and converted its shareholder loan of S$1.9 million into paid-up share capital of SCPL. Accordingly, based on the review of the financial position of SCPL as at 31 March 2022, the Group will be recognising its share of losses in SCPL of S$1.7 million in the current financial year, FY2022.

7. INDEPENDENT VALUATION OF PROPERTIES AND REVIEW OF MARK-TO-MARKET VALUE OF INVESTMENT SECURITIES

7.1 Independent valuation of certain properties held by the Group, joint ventures and associates

For the purpose of the Offer, the Company had commissioned the Valuers to carry out independent valuations on the Market Value of certain of the Group's properties located in Singapore and the UK as at the valuation date of 30 April 2022.

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

These Valuers had generally adopted Direct Comparison Method in arriving at the valuation of the completed properties, unless otherwise specified in the notes to the table below. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market. It involves the analysis of arms' length comparable sales and adjustments are made to reflect the differences in location, tenure, age and condition of development, site area, standard of finishes and fittings as well as date of transaction, amongst other factors affecting value.

A summary of the details of the properties valued vs the net book value of the properties, based on the Group's effective ownership, is set out in the table below:

	Location	Effective ownership	Valuer	Share of net book value as at 31 Dec 2021 (S$'000)	Share of Market Value as at 30 April 2022 (S$'000)	Net revaluation surplus (S$'000)
	Properties held under PPE					
1.	38 & 40 South Bridge Road, Singapore 058672/058674	100%	CBRE	2,311	12,800	10,348
2.	400 Orchard Road #11-09/10 Orchard Towers, Singapore 238875	100%	Allied Appraisal	1,334	3,300	1,930

	Location	Effective ownership	Valuer	Share of net book value as at 31 Dec 2021 (S$'000)	Share of Market Value as at 30 April 2022 (S$'000)	Net revaluation surplus (S$'000)
	Investment properties in Singapore					
3.	93 Robertson Quay #39-05 and 95 Robertson Quay #01-17, #01-18, #01-19 & #01-20, Rivergate, Singapore 238255/238256	100%	CBRE	3,404	19,400	13,100
4.	110 Paya Lebar Road Oneten Paya Lebar, Singapore 409009	100%	CBRE	28,682	105,000(1)	70,452
5.	Development sites known as Lots 2706N & 2847M of Town Subdivision 17 at Jalan Besar, Singapore	100%	CBRE	16,511	21,330(2)	1,687
	Investment properties in the UK					
6.	Flat 2, 115B Queen's Gate, London SW7 5LP, United Kingdom	100%	Gerald Eve	416	1,817	1,225
7.	Raffles Lodge, 1A Manson Place, London, SW7 5LT, United Kingdom	100%	Gerald Eve	627	2,768(3)	1,951
8.	Flat 2, 15-17 Hornton Street London W8 7NP, United Kingdom	100%	Gerald Eve	463	1,817	1,195
9.	20 Garrett Street London, EC1Y 0TW, United Kingdom	71.39%	Savills	25,218	29,332(4)	421
10.	20 Midtown, 2-28 Procter Street, London WC1 6NX, United Kingdom	100%	Savills	55,396	55,793(5)	(883)
11.	Former Head Post Office Fitzalan Square, Sheffield S1 1AB, United Kingdom	50%	Savills	1,734	2,422(6)	491
	Property held by joint venture					
12.	Block E, Neo Bankside, 118-122 Southwark Street, London SE1 0SW, United Kingdom	50%	See note 7 below	6,808	10,017(7)	3,022

	Location	Effective ownership	Valuer	Share of net book value as at 31 Dec 2021 (S$'000)	Share of Market Value as at 30 April 2022 (S$'000)	Net revaluation surplus (S$'000)
	Properties held by associates					
13.	36 unsold units within Orchard Medical Specialists Centre at 304 Orchard Road, Level 5, Lucky Plaza, Singapore 238863	30%	CBRE	11,370	36,873[8]	20,831
14.	400 Orchard Road #20-06, #20-07 & #20-08 Orchard Towers, Singapore 238875	30%	CBRE	1,258	2,124[9]	699
15.	Kilmuir House Ebury Street, London SW1W 8TH, United Kingdom	25%	See note 10 below	22,543	29,626[10]	5,799
16.	51 Scotts Road, Scotts Spazio Singapore 228241	50%	CBRE	2,102	8,400[11]	6,298
	Total			**180,177**	**342,819**	**138,566**

Notes:

(1) Oneten Paya Lebar is currently used as a data centre and leased to a single master lessee for a lease term of 15 years expiring on 26 February 2028. CBRE had considered the Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method before concluding its estimated Market Value of the property (subject to the existing tenancy and occupational arrangement) at S$105.0 million. In arriving at the revaluation surplus, Management had adjusted out the deferred rental receivable in relation to the property;

(2) The development sites at Jalan Besar relate to the proposed development comprising 2 units of 4-storey infill Type 1 envelope control building with a 6-storey rear extension. The 1st storey will be temporarily used as a restaurant and upper floors will be used as offices. The property is undergoing construction works and construction costs incurred as at 30 April 2022 amounted to S$1.44 million. The target construction completion of the proposed development is 1st quarter of 2023.

CBRE had utilised the Residual Method in assessing the Market Value of the land. In the Residual Method, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of the land. CBRE had adopted Direct Comparison Method as the primary valuation method, and Income Capitalisation Method as a cross-check, in arriving at the gross development value, assuming satisfactory completion, of the proposed development.

As there is no material difference between CBRE's Market Value of the land compared to the Company's cost of the land which was purchased approximately 4 years ago, there is no material revaluation surplus on the land. The revaluation surplus on the property is attributable mainly to the developer's profit less corporate income tax of 17%.

(3) This residential property at Manson Place is currently being refurbished for rental. Gerald Eve had estimated the Market Value of the property at GBP1.4 million (approximately S$2.4 million) as at 30 April 2022 and assuming ongoing work on the property is completed as expected, the Market Value of the property would be increased to GBP1.6 million (approximately S$2.8 million).

In computing the revaluation surplus, Management had applied the higher Market Value of the property and deducted estimated refurbishment cost of GBP45,000 (approximately S$78,000) to be incurred.

(4) This property at 20 Garrett Street comprises a "warehouse style" office building which is currently vacant and undergoing extensive refurbishment which is expected to complete at the end of August 2022. Savills had valued the property using the comparable, investment and residual methods of valuation, and estimated the Market Value of the property at GBP16.5 million (approximately S$28.5 million), and stabilised value at GBP23.8 million (approximately S$41.1 million) as at 30 April 2022, the latter assuming the current refurbishment works are completed and the property is fully let and income producing.

In computing the revaluation surplus, Management had used the stabilised value of the property and deducted estimated refurbishment cost S$3.7 million to be incurred, and had applied the effective 71.39% share of the revaluation surplus.

(5) This property at 20 Midtown is a 7 storey mixed-use office and retail building, which is partially tenanted. Savills had valued the property using the comparable, investment and residual methods of valuation, and estimated the Market Value of the property at GBP25 million (approximately S$43.3 million) and stabilised value at GBP32.25 million (approximately S$55.8 million) as at 30 April 2022, the latter assuming the property is fully let and income producing.

In computing the revaluation surplus, Management had used the stabilised value of the property, adjusted out the deferred rental receivables in relation to the property, and deducted estimated refurbishment cost S$1.1 million to be incurred, resulting in a revaluation deficit of S$0.9 million.

(6) This property at Fitzalan Square comprises a Grade II listed former post office building that had been refurbished to provide an education facility with associated office uses. Savills had valued the property using the comparable, investment and residual methods of valuation, and estimated the Market Value of the property as at 30 April 2022 to be GBP2.8 million (approximately S$4.8 million). The Group's 50% share of the Market Value would be S$2.4 million.

(7) Block E, Neo Bankside is a modern office block which forms part of Rogers Stirk Harbour + Partners' Neo Bankside development. The joint venture company had previously engaged an independent valuer to provide an independent valuation on the property as at 21 December 2021 in relation to securing bank loans for the property. The estimated market valuation of the property then was GBP11.58 million (approximately S$20.0 million).

For the purpose of the Offer and estimation of the revaluation surplus for the property, Management had applied the Group's 50% share of the above Market Value of S$10.0 million, as Management is of the view that the current Market Value of the property is not expected to be materially different from the last valuation done in December 2021.

(8) CBRE had estimated the Market Value of these 36 unsold units at Lucky Plaza to be S$122,910,000. The Group's 30% share of the Market Value would be S$36,873,000.

(9) CBRE had estimated the Market Value of the 3 units at Orchard Towers to be S$7,080,000. The Group's 30% share of the Market Value would be S$2,124,000.

(10) The Company is unable to commission in time an independent valuation on Kilmuir House for the purpose of the Offer as the proposed valuer had informed Management that they are conflicted out on this valuation exercise for the Company since they have been appointed by the Offeror to value Kilmuir House. The proposed valuer is also unable to share any valuation information on the property with the Company as they are subject to client confidentiality. Hence, for the purpose of the Offer, the Company had used the last independent valuation done on the property as at 31 March 2020. The Market Value of this property as at 31 March 2020 was GBP68.5 million (approximately S$118.5 million). The Group's effective 25% share of the Market Value would be S$29.6 million. Management is of the view that the current Market Value of the property is not expected to be materially different from the last valuation done in March 2020.

(11) Scotts Spazio is on a 15-year land lease from the Singapore government expiring on 25 November 2022 which has been granted a 2-year extension of land lease to 25 November 2024. The entire building is leased to a single tenant for a term of approximately 13 years ending on 24 November 2022, and had been extended for a further 2-year term until 24 November 2024.

CBRE had adopted Income Capitalisation Method in arriving at the valuation based on the right to receive the assessed net income until the land lease expiry. The Market Value of S$16.8 million is based on its existing tenancies and occupational arrangements. The Group's 50% share of the Market Value would be S$8.4 million.

Net revaluation surplus

Generally, the revaluation surplus is computed based on the difference between the Market Value and the net book value of the property, and in cases where the Group's effective interest is less than 100%, the respective share of the revaluation surplus.

In arriving at the net revaluation surplus, the Company had taken into consideration potential tax liabilities and estimated expenses which would arise from the sale of the properties in a hypothetical scenario for the purposes of Rule 26.3 of the Code.

Properties held under PPE

For properties held under PPE in Singapore, Management has expressed that they do not expect any potential tax liability on the revaluation surplus arising from the independent valuation of the properties as these properties are held for its own use and not held for sale, and in a hypothetical scenario where these properties are sold at the respective market values, there is also no potential tax liability on the revaluation surplus as such gains will be deemed as capital gains and there is no capital gains tax in Singapore.

Investment properties in Singapore held by the Group and associates

For these properties in Singapore, Management had applied a corporate tax rate of 17% on the revaluation surplus after deducting estimated expenses in a hypothetical sale scenario except for (a) Oneten Paya Lebar as the property is held for long term basis and Management expects any gain on disposal to be considered as capital gains and there is no capital gains tax in Singapore and (b) the property at Scotts Spazio is not expected to be sold and hence would not incur any potential tax liability, as the land lease on the property will be returned to the Singapore government upon its expiry on 25 November 2024.

Investment properties in UK held by the Group, joint ventures and associates

UK companies are expected to face an increase in corporation tax from 19% to 25% with effect from 1 April 2023, and where applicable, Management has applied the corporate tax rate of 25% on the taxable profits, if any, on a hypothetical sale of these properties.

7.2 Review of mark-to-market value of significant quoted and unquoted investment securities

For the purpose of the Offer, Management had reviewed the market values of its portfolio of quoted securities and available reported values (from the investee companies) of its portfolio of unquoted securities as at 31 May 2022, to determine if there is any significant revaluation surplus or deficit from the recorded values as at 31 December 2021.

In relation to one of its investment securities, namely GOGC Allen House, LP (Cayman), the Group expects to receive distribution of approximately GBP4.5 million (approximately S$7.8 million), arising from the disposal of a residential property (Allen House in Kensington, London) held by it in May 2022. As the carrying amount of the above investment is S$6.3 million, the Company is expecting to record a net gain of S$1.5 million from its investment.

Following from the review of other investment securities, Management had estimated a mark-to-market deficit in value of approximately S$1.9 million from its investment securities as at 31 May 2022.

Overall, arising from the above, Management estimated a net deficit in value of S$0.4 million from its investment securities as at 31 May 2022.

7.3 Adjusted Revalued NAV of the Group

7.3.1 The NAV of the Group as at 31 December 2021 was S$186.1 million or S$0.2852 per Share.

It is relevant to take into consideration events that had happened post 31 December 2021 referred to in Section 6.2.2 of this Letter under the heading caption “Post 31 December 2021” to make the necessary adjustment to the NAV of the Group.

In addition, there are significant overall revaluation surplus arising from the market valuation of the properties held by the Group and certain properties held through its associates and joint ventures as set out in Section 7.1 above, and the mark-to-market net deficit in value of the

Group's significant investment securities as at 31 May 2022 as set out in Section 7.2 above. These will affect the revalued NAV ("**RNAV**") of the Group.

Taking into consideration the above, the estimated Adjusted RNAV of the Group as at 31 December 2021 is computed as follows:

Estimated Adjusted RNAV of the Group	**S$'000**	**per Share[(1)] (S$)**
Audited NAV of the Group as at 31 December 2021	186,123	0.2852
Adjustments for post 31 December 2021 events		
Add: net gain on disposal of investment property at 58 Queensgate, London, net of any potential tax liabilities and expenses	13,700	0.0210
Less: payment of the FY2021 Dividend	(6,527)	(0.0100)
Less: share of losses in SCPL	(1,726)	(0.0026)
Revaluation surplus/(deficit)		
Add: net revaluation surplus arising from the independent valuations of properties held by the Group, associates and joint ventures	138,566	0.2123
Less: mark-to-market net deficit in value of investment securities	(422)	(0.0006)
Estimated Adjusted RNAV of the Group as at 31 December 2021	**329,715[(2)]**	**0.5052[(2)]**

Notes:

(1) Based on 652,661,100 issued Shares (excluding treasury shares); and

(2) Does not add up due to rounding.

7.3.2 Estimated expenses in connection with the Offer

As disclosed in Section 10 of Appendix II to the Circular, all expenses and costs incurred by the Company in relation to the Offer will be borne by the Company. The expenses and costs in relation to the Offer or any competing offer (the "**Transaction**") will only be determined upon close of the Transaction. Such expenses and costs include success fees (if any) payable to Evercore and fees payable to the IFA, the Valuers, the legal adviser to the Company and the printers, among others. To the best of the knowledge of the Recommending Directors as at the Latest Practicable Date, the Company does not expect such expenses and costs to represent more than 3.7% of the total value of the Offer (based on the Revised Offer Price).

Based on the Revised Offer Price, the total value of the Offer is S$261.1 million. The above estimated amount of not more than 3.7% of the total value of the Offer would amount to approximately S$9.66 million. It is relevant to note that the above estimated maximum amount may be incurred if the Offer becomes unconditional in all respects, as the bulk of the estimated expenses are on a success basis (if any).

For the purpose of disclosure, our IFA advisory fee is not on a success basis.

We note that in the event the Offer becomes unconditional in all respects and the above estimated expenses of not more than S$9.66 million are incurred, such expenses may have a material and adverse impact on the financial performance of the Group for the current year, FY2022, and on the above estimated Adjusted RNAV of the Group as at 31 December 2021 by a reduction of up to approximately S$0.0148 per Share.

For the purposes of our evaluation of the financial terms of the Offer, we have used the Adjusted RNAV per Share of S$0.5052 as at 31 December 2021 before taking into account the above estimated expenses as the full amount of these expenses have not been confirmed as at the Latest Practicable Date.

7.4 Confirmation by the Company

Aside from the adjustments to the NAV of the Group arising from events subsequent to the financial year end for FY2021 and the independent valuations of the properties and mark-to-market fair values of the investment securities as set out in Sections 7.1 and Section 7.2 of this Letter, in our evaluation of the financial terms of the Offer, we have also considered whether there is any other tangible asset which should be valued at an amount that is materially different from that which was recorded in the latest audited statement of financial position of the Group as at 31 December 2021, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV of the Group as at 31 December 2021.

In respect of the above and save as disclosed above and/or announced by the Company, the Directors and Management have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief:

(a) there are no material differences between the realisable value of the Group's assets and their respective book values as at 31 December 2021 which would have a material impact on the NAV of the Group;

(b) other than that already provided for or disclosed in the Group's financial statements as at 31 December 2021, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV of the Group as at the Latest Practicable Date;

(c) there are no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Group taken as a whole as at 31 December 2021;

(d) there are no intangible assets which ought to be disclosed in the audited statement of financial position of the Group as at 31 December 2021 in accordance with Singapore Financial Reporting Standards (International) and which have not been so disclosed and where such intangible assets would have a material impact on the overall financial position of the Group as at 31 December 2021; and

(e) there are no material acquisitions and disposals of assets by the Group between 31 December 2021 and the Latest Practicable Date other than in the ordinary course of business of the Group as a property developer and owner of investment properties, including investment securities, investment in associates and joint ventures, and the Group does not have any immediate plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's business.

8. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In evaluating and assessing the financial terms of the Offer, we have taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

(a) market quotation and trading activity of the Shares;

(b) financial analysis of the Group;

(c) comparison of valuation statistics of selected listed companies which are broadly comparable with the Group;

(d) comparison with precedent privatisation of selected SGX-ST listed companies;

(e) estimated value range of the Shares;

(f) dividend track record of the Company; and

(g) other relevant considerations.

8.1 Market quotation and trading activity of the Shares

Trading in the Shares was halted on 13 May 2022 ("**Trading Halt**"), the Offer Announcement was made on 17 May 2022 and trading in the Shares had resumed on 18 May 2022.

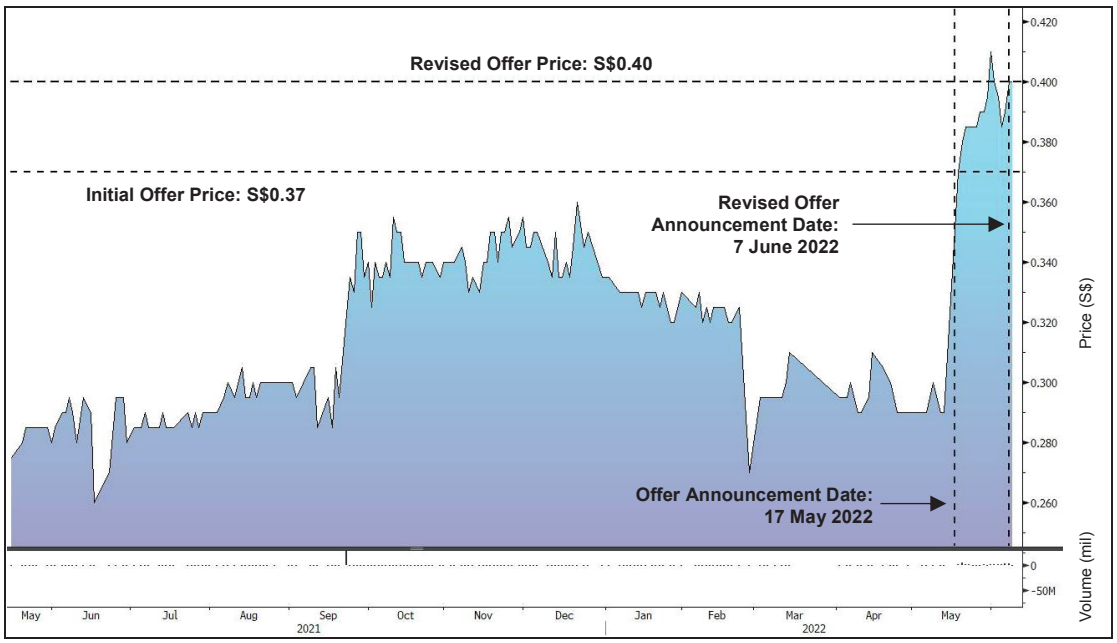
Subsequently before trading hours on 7 June 2022, the Offeror announced the Revised Offer pertaining to, *inter alia*, the Revised Offer Price.

For the purpose of our analysis of the trading performance of the Shares in respect of the Offer, we have compared the Revised Offer Price against the historical market price performance of the Shares for the 1-year period ("**1-Year Period**") prior to the Trading Halt, from 13 May 2021 to 12 May 2022 ("**Last Trading Day**"), being the last trading day prior to the Offer Announcement, and up to the Latest Practicable Date ("**Period Under Review**").

Share Price Chart

We set out below a chart showing the Revised Offer Price relative to the daily closing prices, and trading volume of the Shares for the Period Under Review:

Price movement and trading volume of the Shares for the Period Under Review



***Source**: Bloomberg L.P.*

Prior to the Offer Announcement Date

Based on the daily closing prices of the Shares during the 1-Year Period, the Shares had traded between a low of S$0.26 on 16 June 2021 and a high of S$0.36 on 21 December 2021.

The Initial Offer Price represents a 27.6% premium above the closing Share price of S$0.29 on the Last Trading Day. The Revised Offer Price of S$0.40 represents an increase of 8.1% above the Initial Offer Price of S$0.37.

Overall, the Revised Offer Price represents a significant premium above the historical market price performance of the Shares over the last 1-Year Period.

Post the Offer Announcement Date

Following the Offer Announcement and up to 6 June 2022, being the last trading day prior to the Revised Offer Announcement, the Shares have generally traded above the Initial Offer Price of S$0.37.

On 7 June 2022, being the Latest Practicable Date, the Shares had traded at or around the Revised Offer Price. The last done price on the Shares was S$0.40 on the Latest Practicable Date.

Market Statistics

In addition to the share price charts above, we have tabulated below selected statistical information on the share price performance and trading liquidity of the Shares for the Period Under Review based on the Revised Offer Price:

Reference period	Highest traded price (S$)	Lowest traded price (S$)	VWAP[1] (S$)	Premium of Revised Offer Price over VWAP (%)	Number of traded days[2]	Average daily trading volume[3] (no. of Shares)	Average daily trading volume as a percentage of free float[4] (%)
Prior to the Offer Announcement Date							
Last 1 year	0.360	0.260	0.321	24.6	173	59,974	0.027
Last 6 months	0.360	0.270	0.328	22.0	80	43,393	0.019
Last 3 months	0.330	0.270	0.303	32.0	31	43,465	0.019
Last 1 month	0.310	0.290	0.294	36.1	12	39,425	0.017
12 May 2022 (being the Last Trading Day)	0.295	0.290	0.293	36.5	1	50,000	0.022
After the Offer Announcement Date and up to the Latest Practicable Date							
From 18 May 2022 to the Latest Practicable Date	0.410	0.370	0.389	2.8	15	1,667,980	0.739
Latest Practicable Date	0.405	0.395	0.399	0.3	1	2,623,900	1.163

***Source**: Bloomberg L.P.*

Notes:

(1) The volume-weighted average price ("**VWAP**") for the respective periods are calculated based on the aggregate daily turnover value of the Shares divided by the aggregate daily trading volume of the Shares for the respective periods as extracted from Bloomberg L.P.. Off market transactions (i.e. married deals) are excluded from the calculation;

(2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period;

(3) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST (excluding off market transactions) during the relevant periods, divided by the number of days

when the SGX-ST was open for trading (excluding days with full day trading halt on the Shares) during that period; and

(4) Free float refers to the Shares other than those directly and deemed held by the Directors and substantial Shareholders. For the purpose of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 225.6 million Shares based on the free float of 34.57% as disclosed in the annual report of the Company for FY2021.

We observe the following with regard to the price performance of the Shares for the Period Under Review:

(a) the Revised Offer Price represents a premium of 24.6%, 22.0%, 32.0% and 36.1% above the VWAP of the Shares for the 1-year, 6-month, 3-month and 1-month periods up to the Last Trading Day respectively;

(b) the Revised Offer Price represents a premium of 37.9% above the last transacted price of the Shares of S$0.29 on the Last Trading Day;

(c) post the Offer Announcement Date and up to 6 June 2022, being the last trading day prior to the Revised Offer Announcement, the Shares have generally traded above the Initial Offer Price. The closing price of the Shares on 6 June 2022 was S$0.395; and

(d) after the Revised Offer Announcement on 7 June 2022, the Shares have generally traded at the Revised Offer Price of S$0.40 on that day. The Shares were last transacted at S$0.40 on the Latest Practicable Date.

We observe the following with regard to the trading liquidity of the Shares:

(i) trading liquidity on the Shares was very low with average daily trading volume on the Shares for the 1-year, 6-month, 3-month and 1-month periods up to the Last Trading Day representing 0.027%, 0.019%, 0.019% and 0.017% of the free float of the Shares respectively; and

(ii) following the Offer Announcement Date and up to the Latest Practicable Date, average daily trading volume on the Shares had increased substantially to 1,667,980 Shares, representing 0.739% of the free float of the Shares.

8.2 Financial analysis of the Group

For the purposes of evaluating the Offer, we have also considered the valuation of the Company implied by the Revised Offer Price vis-a-vis the historical financial information of the Group in terms of the earnings approach and net asset backing approach.

8.2.1 Price-earnings ratio ("PER")

PER is a commonly used earnings approach which illustrates the valuation ratio of the current market value of a company's shares relative to its consolidated basic earnings per share as stated in its financial statements. The PER is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. The PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern.

As set out in Section 6.2.1 of this Letter, the Group had recorded profit attributable to owners of the Company of between S$4.2 million and S$6.5 million in the last 3 financial years, derived mainly from rental income of its portfolio of investment properties, changes in fair value of its investment securities and gains from disposal of investment properties, which can vary significantly from year to year.

Based on the Revised Offer Price of S$0.40 and profits attributable to owners of the Company of S$5.7 million for FY2021 (or earnings per Share of S$0.0088), the historical PER of the Company implied by the Revised Offer Price is 45.5 times.

However, as the Group is asset heavy with significant assets in properties and most of these properties are accounted for on a cost model (as opposed to a fair value model) as described in Section 6.2.2 of this Letter, we are of the opinion that an earnings based approach in assessing the valuation of the Group implied by the Revised Offer Price may not be appropriate.

8.2.2 Price-to-book ("P/NAV") ratio

P/NAV ratio is a commonly used net asset backing approach which shows the extent to which the shares of a company are backed by its net assets.

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

As shown in Section 6.2.2 of this Letter, the Group's NAV per Share as at 31 December 2021 was S$0.2852.

The Revised Offer Price of S$0.40 represents a P/NAV ratio of 1.40 times, or a premium of 40.3% above the NAV per Share as at 31 December 2021.

8.2.3 P/Adjusted RNAV ratio

As disclosed in Section 6.2.2(b) of this Letter, taking into account the Company's FY2021 annual report disclosure of the fair value of its investment properties would result in an uplift in NAV per Share by S$0.1492 from a NAV per Share of S$0.2852 to S$0.4344.

For the purposes of the Offer, the Company had commissioned independent valuations of certain of the Group's properties and properties held by joint ventures and associates as at 30 April 2022, and had reviewed the mark-to-market value of its investment securities as at 31 May 2022. The Company had also made the relevant adjustments to the NAV as a result of events that had occurred post 31 December 2021. Overall, the above has resulted in a further uplift of value of the Shares to S$0.5052, as shown in Section 7.3.1 of this Letter.

The Revised Offer Price of S$0.40 represents a **P/Adjusted RNAV ratio** of the Company of **0.79 times**, or a discount of **20.8**% to the estimated Adjusted RNAV per Share as at 31 December 2021.

8.3 Comparison of valuation statistics of selected listed companies which are broadly comparable with the Group

The Group is principally engaged in property rental, property investment and development, and investment holding.

For the purposes of assessing the financial terms of the Offer, we have considered the valuation statistics of selected SGX-ST listed companies that are involved in businesses which can be considered as broad proxies to the principal businesses of the Group for comparison purposes ("**Comparable Companies**"). For a more meaningful comparison, we have selected Comparable Companies with market capitalisation of between S$200 million and S$2 billion as at the Offer Announcement Date. There are 8 of such Comparable Companies.

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

We wish to highlight that the selected Comparable Companies are not exhaustive and it should be noted that there may not be any listed company that is directly comparable with the Group in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of valuation statistics for the selected Comparable Companies. Therefore, any comparison made serves only as an illustrative guide.

A brief description of the selected Comparable Companies, as extracted from Bloomberg L.P. and/or their respective annual reports, is set out below:

Name of Comparable Company	**Principal Businesses**
Ho Bee Land Limited ("**Ho Bee**")	Ho Bee engages in real estate development and investment in the residential, commercial and high-tech industrial segments.
OUE Limited ("**OUE**")	OUE is a real estate development, investment and management company with assets across the commercial, hospitality, retail, residential and healthcare sectors
Hong Fok Corporation Limited ("**Hong Fok**")	Hong Fok is primarily engaged in property investment, property development and construction, property management, investment trading and investment holding management.
Metro Holdings Limited ("**Metro**")	Metro operates two core business segments – property investment and development, and retail. It is focused on key markets in the region such as Singapore, the PRC, Indonesia, UK and Australia.
Tuan Sing Holdings Limited ("**Tuan Sing**")	Tuan Sing is a regional investment holding company with interests mainly in real estate investment, real estate development and hospitality.
Bund Center Investment Ltd ("**Bund Center**")	Bund Center is engaged in investment holding property businesses in the PRC.
Hiap Hoe Limited ("**Hiap Hoe**")	Hiap Hoe is a regional real estate group with a portfolio of hospitality, retail, commercial and residential assets.
Centurion Corporation Limited ("**Centurion**")	Centurion owns, develops and manages workers and student accommodation assets internationally. It is primarily engaged in the provision of accommodation and services for dormitory workers and students.

***Source**: Bloomberg L. P. and respective annual reports of Comparable Companies*

For our evaluation of the Offer and illustration purposes, we have made a comparison between the Group and the Comparable Companies using the P/NAV ratio or NAV approach, as the PER approach may not be meaningful for asset heavy companies.

The P/NAV ratio or NAV approach is used to show the extent to which the value of each share (based on its trading share price) is backed by its net assets. The NAV approach of valuing a group of companies is based on the aggregate value of all the assets of the group in their existing condition, after deducting the sum of all liabilities of the group.

For illustration purposes, the statistics of the Comparable Companies as at 17 May 2022, being the Offer Announcement Date, are set out in the table below:

Comparable Companies	Last financial year end	Market capitalisation as at 17 May 2022, being the Offer Announcement Date (S$'million)	P/NAV ratio[1] (times)
Ho Bee Land	31 Dec 2021	1,865.9	0.47
OUE	31 Dec 2021	1,130.1	0.29[2]
Hong Fok	31 Dec 2021	731.9	0.37[2]
Metro	31 Mar 2021	629.3	0.40
Tuan Sing	31 Dec 2021	450.4	0.36[2]
Bund Center	31 Dec 2021	390.8	0.87
Hiap Hoe	31 Dec 2021	350.6	0.47
Centurion	31 Dec 2021	294.3	0.45
High			**0.87**
Low			**0.29**
Mean			**0.46**
Median			**0.42**
Company (implied by the Revised Offer Price)	**31 Dec 2021**	**261.1**	**1.40 (based on NAV per Share as at 31 December 2021)** **0.79 (based on Adjusted RNAV per Share as at 31 December 2021)**

Source: *Bloomberg L.P., annual reports and latest publicly available financial information on the Comparable Companies*

Notes:

(1) The P/NAV ratios of the Comparable Companies are computed based on (a) their respective NAV values as set out in their latest published financial statements and/or annual reports available as at the Offer Announcement Date; and (b) their market capitalisations as at the Offer Announcement Date; and

(2) The respective NAVs of OUE, Hong Fok and Tuan Sing as at 31 December 2021 have been adjusted to take into account their share buy-back exercises since 31 December 2021 and up to 17 May 2022.

Based on the above, we note the following:

(a) the P/NAV ratio of the Group of 1.40 times as implied by the Revised Offer Price is significantly above the upper end of the range of trading P/NAV ratios, and therefore significantly higher than the mean and median trading P/NAV ratios of the Comparable Companies; and

(b) the P/Adjusted RNAV ratio of the Group of 0.79 times implied by the Revised Offer Price is at the upper end of the range and higher than the mean and median trading P/NAV ratios of the Comparable Companies. However, it should be noted that comparing P/Adjusted RNAV ratio of the Group with the trading P/NAV ratios of the Comparable Companies may not be a like-to-like comparison as the NAV of the Comparable Companies may not have been revalued and RNAV figures of these Comparable Companies are also not normally published by the respective Comparable Companies.

Shareholders should note that the above comparison with the Comparable Companies is purely for illustrative purposes only.

Consistent with the above relatively low P/NAV statistics of the Comparable Companies, we also observed that several of the listed property counters on the SGX-ST which had been

trading at significant discounts to their NAVs have recently been privatised and delisted from the SGX-ST. These pertain to takeover offers of listed property and/or heavy asset counters which were announced since January 2021, as detailed in Section 8.4.1 below. More significantly is that the IFAs on these takeover offers had opined that the offer prices were not fair.

Hence, the above trading valuation statistics of Comparable Companies with the mean and median P/NAV ratios of 0.46 times and 0.42 times respectively could not be reasonably used as a benchmark to evaluate the fairness of the P/Adjusted RNAV ratio implied by the Revised Offer Price.

8.4 Comparison with precedent privatisation of selected SGX-ST listed companies

8.4.1 Recent privatisation transactions of asset heavy counters since January 2021

The Offeror has expressed its intention to privatise the Company and delist from the SGX-ST.

We have therefore compared the valuation of the Company implied by the Revised Offer Price with those of selected completed privatisation exercises (with cash offer) of SGX-ST listed companies that are engaged in property related business and/or are asset heavy, that were announced since January 2021 and completed prior to and up to the Latest Practicable Date. Such privatisation exercises include those that were carried out either by way of voluntary delisting exit offers under Rule 1307 of the Listing Manual, offers being made by way of a scheme of arrangement under Section 210 of the Companies Act or general takeover offers under the Code where the offerors have expressed their intention to delist their respective listed companies from the SGX-ST ("**Recent Precedent Privatisation Transactions**").

In total, there are 7 of such Recent Precedent Privatisation Transactions.

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies, and the comparison sets out:

(a) the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs over the 1-month and 3-month periods prior to the announcement of these Recent Precedent Privatisation Transactions; and

(b) the premium or discount represented by each of the respective offer prices to the NAV, NTA, RNAV or RNTA (as the case may be) of the respective target companies.

For the purposes of our analysis of the Recent Precedent Privatisation Transactions, we have also included the respective opinions of the IFAs, on whether or not the offers were fair and reasonable, and their recommendations to accept or reject the offers.

We wish to highlight that the target companies listed in the Recent Precedent Privatisation Transactions as set out in the analysis below may not be directly comparable to the Group in terms of market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits. The premium or discount that an offeror pays in any particular offer varies in different specific circumstances depending on, *inter alia*, factors such as the intention of the offeror, the potential synergy the offeror can gain by acquiring the target, the prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence or absence of competing bids for the target company, and the existing and desired level of control in the target company. The list of the Recent Precedent Privatisation Transactions is by no means exhaustive and as such any comparison made only serves as an

illustration. Conclusions drawn from the comparisons made may not necessarily reflect the perceived or implied market valuation of the Company.

Name of target company	Date of announce-ment	Implied market capitalisa-tion[1] (S$'million)	Premium of offer price over: Last transacted price prior to announce-ment (%)	Premium of offer price over: 1-month VWAP prior to announce-ment (%)	Premium of offer price over: 3-month VWAP prior to announce-ment (%)	Price/ RNAV ratio (times)	IFA recommendation
GL Limited ("**GL**")	15 Jan 2021	1,039.8	42.9	46.6	52.4	0.64[2]	**Accept** – Not fair, but reasonable
Singapore Reinsurance Corporation Limited ("**SingRe**")	19 Mar 2021	210.8	17.8	20.6	20.8	0.50[3]	**Accept** – Not fair, but reasonable
Top Global Limited ("**TGL**")	30 Apr 2021	125.3	122.9	133.6	146.8	0.32[4]	**Accept** – Not fair, but reasonable
Fragrance Group Limited ("**FGL**")	9 Jul 2021	926.5	16.9	19.0	19.0	0.70[5]	**Accept** – Not fair, but reasonable
SingHaiyi Group Ltd. ("**SingHaiyi**")	9 Nov 2021	492.8	8.3	7.1	10.7	0.60[6]	**Accept** – Not fair, but reasonable
Roxy-Pacific Holdings Limited ("**Roxy**")	20 Sep 2021	632.4	19.8	21.0	23.5	0.64[7]	**Accept** – Not fair, but reasonable
Shinvest Holding Ltd. ("**Shinvest**")	16 Feb 2022	104.7	12.9	8.5	10.2	0.53[8]	**Reject –** Not fair and not reasonable
High			122.9	133.6	146.8	0.70	
Low			8.3	7.1	10.2	0.32	
Mean			34.5	36.6	40.5	0.56	
Median			17.8	20.6	20.8	0.60	
Company (implied by the Revised Offer Price)[9]	**17 May 2022**	**261.1**	**37.9**	**36.1**	**32.0**	**0.79 (based on Adjusted RNAV per Share as at 31 Dec 2021)**	

***Source**: SGX-ST announcements and circulars to shareholders in relation to the Recent Precedent Privatisation Transactions*

Notes:

(1) Calculated by multiplying the respective offer prices with the number of issued shares of the respective target companies;

(2) The sum-of-the-parts value per share of GL Limited as at 31 December 2021 was estimated by the IFA to be in the range of S$1.17 and S$1.35, implying a P/RNAV ratio of between 0.593 and 0.684 times based on the revised final offer price of S$0.80 per share as announced on 15 March 2021. For the purposes of our analysis of the Offer, we have used the average of the above range of P/RNAV ratio of 0.64 times;

(3) P/NAV (ex-cash basis) ratio of 0.5 times was based on ex-cash NAV per share of SingRe as at 31 December 2020;

(4) Based on the RNAV per share of TGL as at 31 December 2020;

(5) Based on the RNAV per Share of FGL as at 30 June 2021;

(6) Based on the RNAV per share of SingHaiyi as at 30 September 2021;

(7) Based on the RNAV per Share of Roxy as at 30 June 2021;

(8) P/RNTA (ex-cash) ratio of 0.53 times was based on the ex-cash Adjusted RNTA per share of Shinvest as at 31 August 2021; and

(9) Based on the Revised Offer Price as announced before trading hours on 7 June 2022.

Based on the above, we note that:

(a) in all of the above 7 Recent Precedent Privatisation Transactions, the respective IFAs had opined that the offers were not fair. The P/RNAV ratios of these precedent transactions had ranged from 0.32 times to 0.70 times. In comparison, the P/Adjusted RNAV ratio of the Group of 0.79 times is above the upper end of the range and hence above the mean and median ratios of 0.56 and 0.60 times of the Recent Precedent Privatisation Transactions;

(b) of the 7 Recent Precedent Privatisation Transactions, the IFAs for 6 of these transactions had opined that the offers were not fair but reasonable, and had accordingly made their recommendations to accept the offers.

The IFA for the remaining one case (takeover offer for Shinvest) had opined that the offer was not fair and not reasonable. However, notwithstanding the opinion and recommendation of the IFA and the independent directors to reject the offer, the offeror had managed to secure more than 90% acceptances by the close of the offer and accordingly, proceeded to compulsorily acquire all the remaining outstanding shares.

In 3 of these 7 cases, the offerors and their concert parties had managed to secure shareholding interests in the target companies of close to or exceeding 90% prior to the publication of the IFA opinion on the offers. In a 4th case (i.e. takeover offer for GL), the offeror and its concert parties already held 71% interest in the target company at the time of the initial announcement of the offer and 87% interest at the time of the announcement of the revised final offer, the IFA had held its opinion that the offer and the revised offer were not fair but reasonable. In a 5th case, (i.e. takeover offer for Roxy), the offeror and its concert parties already held 78% interest in the target company prior to the publication of the IFA opinion on the offer. In the remaining 2 other cases (i.e. takeover offers for SingRe and Shinvest), the offerors and their concert parties held less than 50% interest in the target companies prior to the publication of the IFA opinions on the offers.

With respect to the Offer, the Offeror and its concert parties own, control or agree to acquire Shares (including acceptances to the Offer) of approximately 24.86% interest in the Shares as at the Latest Practicable Date;

(c) of the 7 Recent Precedent Privatisation Transactions, the IFAs for 4 of these transactions did not disclose the estimated range of fair values in respect of the offers, while the IFAs for the remaining 3 transactions had provided estimated fair value price ranges of (i) P/RNAV ratio of 1 time, (ii) P/RNAV ratio of between 0.75 times and 0.80 times, and (iii) P/RNTA (ex-cash basis) ratio of between 0.77 and 0.89 times;

(d) as the IFAs in all these Recent Precedent Privatisation Transactions had opined that the offers were not fair, the above valuation statistics of Recent Precedent Privatisation Transactions could not be reasonably used as a benchmark to evaluate the fairness of the P/Adjusted RNAV ratio implied by the Revised Offer Price; and

(e) the premia implied by the Revised Offer Price over the last transacted price and VWAPs over the 1-month and 3-month periods prior to Announcement are within the range, close to the mean (except for the 3-month VWAP) and above the median of the corresponding premia of the Recent Precedent Privatisation Transactions.

For the purpose of disclosure, Provenance Capital had acted as the IFA for the takeover offers for SingHaiyi and Shinvest.

8.4.2 Precedent privatisation transactions which were opined by IFAs as fair and reasonable

Following from the above, we have attempted to look at selected completed precedent privatisation transactions (with cash offer) of SGX-ST listed companies that are engaged in property related business and/or are asset heavy, that were announced from January 2017 to December 2020, and where the respective IFAs had opined the offers to be fair and reasonable, and had recommended shareholders to accept the offers ("**Fair Precedent Privatisation Transactions**"). There are 8 of such Fair Precedent Privatisation Transactions.

			Premium of offer price over				
Name of target company	**Date of announce-ment**	**Implied market capitalisa-tion[1] (S$'million)**	**Last transacted price prior to announce-ment (%)**	**1-month VWAP prior to announce-ment (%)**	**3-month VWAP prior to announce-ment (%)**	**Price/ RNAV (times)**	**IFA recommendation**
Global Logistics Properties Limited ("**GLP**")	14 Jul 2017	16,028	64.1[2]	67.4[2]	72.4[2]	1.10[3]	**Accept** – Fair and Reasonable
Wheelock Properties (Singapore) Limited ("**Wheelock**")	19 Jul 2018	2,513	20.7	29.0	22.7	0.84[4]	**Accept** – Fair and Reasonable
LTC Corporation Limited ("**LTC**")	9 Feb 2018	145	44.5	46.1	45.4	0.56[5]	**Accept** – Fair and Reasonable
San Teh Ltd ("**San Teh**")	5 Sep 2019	96	81.8	90.5	83.0	0.33[6]	**Accept** – Fair and Reasonable
United Engineers Limited ("**UEL**")	25 Oct 2019	1,721	1.5	5.7	4.6	0.82[7]	**Accept** – Fair and Reasonable
Perennial Real Estate Holdings Limited ("**Perennial**")	12 Jun 2020	1,579	88.1[8]	105.2[8]	124.2[8]	0.57[9]	**Accept** – Fair and Reasonable
China Jishan Holdings Limited ("**Jishan**")	16 Sep 2020	106	84.2	101.3	106.4	0.78[10]	**Accept** – Fair and Reasonable
LCT Holdings Limited ("**LCT**")	16 Sep 2020	21	39.5	60.8	61.7	0.84[11]	**Accept** – Fair and Reasonable
High			88.1	105.2	124.2	1.10	
Low			1.5	5.7	4.6	0.33	
Mean			53.1	63.3	65.1	0.73	
Median			54.3	64.1	67.1	0.80	
Company (implied by the Revised Offer Price)[12]	**17 May 2022**	**261.1**	**37.9**	**36.1**	**32.0**	**0.79 (based on Adjusted RNAV per Share as at 31 Dec 2021)**	

***Source**: SGX-ST announcements and circulars to shareholders in relation to the Fair Precedent Privatisation Transactions*

Notes:

(1) Calculated by multiplying the respective offer prices with the number of issued shares of the respective target companies;

(2) Based on RNAV per share of GLP as at 30 June 2017;

(3) The market premia implied by the offer price were computed based on the unaffected share prices of GLP prior to the announcement dated 1 December 2016 by the company that it was undertaking a strategic review;

(4) Based on RNAV per share of Wheelock as at 30 June 2018. Although the IFA had provided P/NAV (ex-cash basis) ratio of 0.74 times, it did not provide P/RNAV (ex-cash basis) ratio of Wheelock as at 30 June 2018;

(5) Based on RNAV per share of LTC as at 30 June 2018. Although the IFA had provided P/NAV (ex-cash basis) ratio of 0.54 times, it did not provide P/RNAV (ex-cash basis) ratio of LTC as at 30 June 2018. LTC subsequently carried out a voluntary delisting exercise which was announced on 7 September 2018 under the then applicable rules for voluntary delisting;

(6) Based on ex-cash RNTA per share of San Teh as at 30 June 2019;

(7) Based on RNTA per share of UEL as at 30 September 2019;

(8) The market premia implied by the offer price were computed based on prices prior to the voluntary announcement dated 18 May 2020 by Perennial that certain of its substantial shareholders are reviewing the options in relation to their holdings in the company;

(9) Based on adjusted RNAV per share of Perennial as at 31 December 2019. Although the IFA had provided P/NAV (ex-cash basis) ratio of 0.54 times, it did not provide P/RNAV (ex-cash basis) ratio of Perennial as at 31 December 2019;

(10) Based on RNAV of Jishan as at 30 June 2020;

(11) Based on ex-cash adjusted NAV per share of LCT as at 30 June 2020; and

(12) Based on the Revised Offer Price as announced before trading hours on 7 June 2022.

Based on the above, we note that:

(a) of the above 8 Fair Precedent Privatisation Transactions, the P/RNAV ratios (adjusted for ex-cash basis wherever disclosed) had ranged widely from 0.33 to 1.10 times. We also observed that for transactions which had relatively low P/RNAV ratios, e.g. San Teh and Perennial, the respective offer price-to-market price premia were much higher, as compared to the other Fair Precedent Privatisation Transactions. In comparison, the P/Adjusted RNAV ratio of the Group is 0.79 times;

(b) the P/Adjusted RNAV ratio of the Group of 0.79 times is above the mean and close to the median P/RNAV ratios of the Fair Precedent Privatisation Transactions of 0.73 and 0.80 times respectively; and

(c) the premia implied by the Revised Offer Price over the last transacted price and VWAPs over the 1-month and 3-month periods prior to Announcement is within the range, but below the mean and median of the corresponding premia of the Fair Precedent Privatisation Transactions.

8.5 Estimated value range of the Shares

In the preceding Sections 8.1 to 8.4 above, we have analysed the following:

(a) the Revised Offer Price of S$0.40 is 8.1% higher than the Initial Offer Price of S$0.37, and is at a 32.0% premium above the historical VWAP trading prices of the Shares in the last 3 months prior to the Offer Announcement. The Shares were last transacted at S$0.40 on the Latest Practicable Date;

(b) the NAV per Share as at 31 December 2021 is S$0.2852 and the Adjusted RNAV per Share as at 31 December 2021 is estimated to be S$0.5052, after taking into consideration adjustments for post 31 December 2021 events and revaluation surplus/(deficit) as set out in Section 7.3.1 of this Letter. Accordingly, the P/Adjusted RNAV ratio (implied by the Revised Offer Price) is 0.79 times;

(c) the P/Adjusted RNAV ratio implied by the Revised Offer Price of 0.79 times is above the upper end of the range and hence above the mean and median P/RNAV ratios of the Recent Precedent Privatisation Transactions of 0.56 and 0.60 times respectively. As the IFAs in all these Recent Precedent Privatisation Transactions had opined that the offers were not fair, the above valuation statistics of Recent Precedent Privatisation Transactions could not be reasonably used as a benchmark to evaluate the fairness of the P/Adjusted RNAV ratio implied by the Revised Offer Price. In certain of these cases, the IFAs had given estimated fair value range of share prices at P/RNAV ratios of between 0.75 and 1.0 times;

(d) the P/Adjusted RNAV ratio implied by the Revised Offer Price of 0.79 times is above the mean and close to the median P/RNAV ratios of the Fair Precedent Privatisation Transactions of 0.73 and 0.80 times respectively, where the IFAs in these Fair Precedent Privatisation Transactions had opined that the offers were fair and reasonable.

Overall, on balance, we are of the view that **our estimated value range of the Shares is between S$0.40 and S$0.43** representing P/Adjusted RNAV ratio of the Group of between 0.80 times and 0.85 times based on the Adjusted RNAV of S$0.5052 per Share as at 31 December 2021.

Hence, we are of the opinion that the Revised Offer Price of S$0.40 is fair and reasonable, as it is within our estimated value range of the Shares.

8.6 Dividend track record of the Company

We set out below information on the dividend per Share as declared and paid by the Company in respect of the last 4 financial years from FY2018 to FY2021:

Dividends declared (S$)	FY2018	FY2019	FY2020	FY2021
Dividend per Share	0.01	0.01	0.01	0.01
Average Share price[(1)]	0.315	0.305	0.300	0.309
Dividend yield[(2)] (%)	3.2	3.3	3.3	3.2

***Source**: Bloomberg L.P. and Company's announcements*

Notes:

(1) Based on daily closing prices of the Shares for the respective financial years; and

(2) Computed based on dividend per Share divided by the average Share price in each of the respective financial year.

The Company had declared and paid dividends of S$0.01 per Share for each of the last 4 financial years.

As disclosed in the Company's annual report for FY2021, the Company does not have a formal dividend policy in place. However, the Company has been consistent in its dividend pay-outs to Shareholders.

We wish to highlight that the above dividend analysis of the Company serves only as an illustrative guide and is not an indication of the Company's future dividend policy.

8.7 Other relevant considerations

8.7.1 Revised Offer Price

Shareholders should note that the Offeror has stated that it does not intend to revise the Revised Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

Accordingly, pursuant to Rule 20.2 of the Code, the Offeror will not be allowed to increase the above Revised Offer Price in any way, save that the Offeror reserves the right to do so in a competitive situation.

8.7.2 Minimum Acceptance Condition

The Offer is conditional on the Offeror receiving valid acceptances in respect of the Offer Shares which will result in the Offeror and parties acting in concert with the Offeror holding more than 50% of the total number of Shares (excluding treasury shares) as at the close of the Offer i.e. the Minimum Acceptance Condition.

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

The total number of (i) Shares owned, controlled or agreed to be acquired by the Offeror and its concert parties and (ii) valid acceptances of the Offer (including acceptances from parties acting in concert with the Offeror), amounted to an aggregate of 162,226,700 Shares, representing 24.86% of the total number of Shares (excluding treasury shares) as at the Latest Practicable Date.

The Offer has not become or been declared to have become unconditional as at the Latest Practicable Date.

Shareholders should therefore note that if the Minimum Acceptance Condition is not met by the close of the Offer, the Offer will lapse and all Shares tendered will be returned to the respective Shareholders. Accordingly, Shareholders who accept the Offer will only have the certainty of the consideration of the Revised Offer Price in cash when the Offer has been declared to have become unconditional in all respects.

8.7.3 No evidence of any alternative offers

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

8.7.4 Offeror's intention on the listing status of the Company

It is the Offeror's intention to make the Company its wholly-owned subsidiary and it does not intend to preserve the listing status of the Company. If and when entitled, the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act and reserves the right to seek a voluntary delisting of the Company under Rules 1307 and 1309 of the SGX-ST Listing Manual ("**Voluntary Delisting Rules**").

Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of Shares as at the date of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any treasury shares), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer at a price equal to the Revised Offer Price.

The Current Ong Directors and their immediate family members own approximately 29.26% of the total number of Shares (excluding treasury shares). The intentions of the Current Ong Directors with respect to the Offer in relation to their holdings of the Shares are set out in paragraph 5.9 of Appendix II to the Circular.

Voluntary Delisting

Under Rule 1307 of the SGX-ST Listing Manual, the SGX-ST may agree to an application by the Company to delist from the SGX-ST if the Company (a) convenes a general meeting to obtain shareholder approval for the delisting; and (b) the resolution to delist the Company has been approved by a majority of at least 75% of the total number of shares (excluding treasury shares) by shareholders present and voting, on a poll, either in person or by proxy at the meeting. The Offeror concert party group must abstain from voting on the resolution.

The Offeror had disclosed in Section 7.3 of the Offer Document that it reserves the right to seek a voluntary delisting of the Company pursuant to the Voluntary Delisting Rules. Without prejudice to the foregoing, if the Offeror receives, as at the closing date of the Offer, valid acceptances of the Offer from Shareholders other than persons acting in concert with the Offeror ("**Independent Shareholders**") representing 75% of the total number of issued Shares held by the Independent Shareholders and subject to substantive compliance with the other requirements set out in such Voluntary Delisting Rules, the Offeror intends to seek SGX-ST's waiver from strict compliance with such Voluntary Delisting Rules.

Loss of public float

As disclosed in the Company's annual report for FY2021, approximately 34.57% of the Shares are held in public hands. Under Rule 723 of the SGX-ST Listing Manual, the Company must ensure that at least 10% of the total number of Shares is at all times held in public hands ("**Free Float Requirement**").

Under Rule 724 of the SGX-ST Listing Manual, if the public float falls below 10%, the SGX-ST may suspend trading of the Shares, and may allow the Company a period of 3 months or such longer period as the SGX-ST may agree, to meet the Free Float Requirement. The Company may be removed from the Official List of the SGX-ST if it fails to restore the Free Float Requirement after the period.

The Offeror has also stated that it does not intend to support or take any step (including the place out of Shares by the Offeror) for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted.

In the event that the Company is removed from the Official List of the SGX-ST and if the Company does not become a wholly-owned subsidiary of the Offeror, the Company may become a public unlisted company.

8.7.5 Commentary in the Company's latest annual report for FY2021

We note that the Company had, in its FY2021 annual report, included a commentary on the Group's business prospects which is reproduced in *italics* below:

> "*Looking forward, we remain cautiously optimistic in our investment outlook. As we look ahead into 2022 and beyond, we expect economic growth to normalize following 2 years of the pandemic. As we leave the worse of the pandemic behind us, uncertainties surrounding interest rates, inflation, supply chain disruption, energy prices and geopolitics remain our key concerns and represent the main exogenous risks to our business.*
>
> *While our business focus will remain on the 2 key geographies of Singapore and the UK in 2022, we will nonetheless explore opportunities in new markets and in new real estate segments in 2022. We*

will continue to divest mature assets and reinvest to transform our business into one which is capital efficient and which is driven by a diversified income stream comprising, inter alia, rental income, development gains and fee income. In addition, we will focus on optimizing our gearing levels and to work our balance sheet harder as we seek to transform our business in the next few years."

9. OUR RECOMMENDATION TO THE RECOMMENDING DIRECTORS ON THE OFFER

In arriving at our recommendation in respect of the Offer, we have taken into account, reviewed and deliberated on the following key considerations which we considered to be pertinent in our assessment of the Offer:

(a) market quotation and trading activity of the Shares;

(b) financial analysis of the Group;

(c) comparison of valuation statistics of selected listed companies which are broadly comparable with the Group;

(d) comparison with precedent privatisation of selected SGX-ST listed companies;

(e) estimated value range of the Shares;

(f) dividend track record of the Company; and

(g) other relevant considerations.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, overall, we are of the view that the financial terms of the Offer (i.e. the Revised Offer Price) are fair and reasonable. Accordingly, we advise the Recommending Directors to recommend Shareholders to ACCEPT the Offer.

Shareholders who wish to realise their investments in the Company can choose to sell their Shares in the open market if they can obtain a price higher than the Revised Offer Price (after deducting transaction costs).

It is pertinent to note that the Offer is subject to the Minimum Acceptance Condition and the Offer has not become or been declared to have become unconditional in all respects as at the Latest Practicable Date. Shareholders should therefore note that if the Minimum Acceptance Condition is not met by the close of the Offer, the Offer will lapse and all Shares tendered will be returned to the respective Shareholders. Accordingly, Shareholders who accept the Offer will only have the certainty of the consideration of the Revised Offer Price in cash when the Offer has been declared to have become unconditional in all respects.

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

Our recommendation on the Offer is addressed to the Recommending Directors for their benefit, in connection with and for the purposes of their consideration of the Offer, and may not be used or relied on for any other purposes (other than for the purpose of the Offer) without the prior written consent of Provenance Capital. The recommendation to be made by the

Recommending Directors to Shareholders in respect of the Offer respectively shall remain the responsibility of the Recommending Directors.

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

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

APPENDIX II

ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

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

Name	Address	Designation
Mr Ong Eng Loke	c/o 38 South Bridge Road Singapore 058672	Acting Group Managing Director and Non-Independent Executive Director
Mr Ong Mui Eng	c/o 38 South Bridge Road Singapore 058672	Non-Independent Executive Director
Mr Ong Eng Keong	c/o 38 South Bridge Road Singapore 058672	Non-Executive Non-Independent Director
Dr Ong Eng Hui David	c/o 38 South Bridge Road Singapore 058672	Non-Executive Non-Independent Director
Mr Huang Yuan Chiang	c/o 38 South Bridge Road Singapore 058672	Non-Executive Non-Independent Director

2. REGISTERED OFFICE

The registered office of the Company is at 38 South Bridge Road, Singapore 058672.

3. PRINCIPAL ACTIVITIES

The Company was incorporated under the laws of Singapore on 29 December 1952 and was listed on the SGX-ST on 26 July 1979.

The Group is an investment holding company.

4. SHARE CAPITAL

4.1 Issued share capital

The Company has one class of shares, being ordinary shares. As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S$172,153,626 comprising 652,661,100 Shares (excluding Treasury Shares). As at the Latest Practicable Date, the Company has 842,900 treasury shares. The issued Shares are listed and quoted on the Main Board of the SGX-ST.

4.2 Capital, dividends and voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution, which is available for inspection at the Company's registered office at 38 South Bridge Road, Singapore 058672. The relevant provisions of the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been extracted from the Constitution and are set out in Appendix III to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

4.3 Number of Shares issued since the end of the last financial year

No Shares have been issued by the Company since the end of the last financial year up to the Latest Practicable Date.

4.4 **Options and convertible instruments**

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

The Company previously had in place the "Hwa Hong Corporation Limited (2001) Share Option Scheme" which has since lapsed on 28 May 2021. As at the Latest Practicable Date, no options are outstanding under this scheme.

5. DISCLOSURE OF INTERESTS

5.1 **Interests of the Company in Offeror Securities**

The Company does not have any direct or indirect interests in the Offeror Securities as at the Latest Practicable Date.

5.2 **Dealings in Offeror Securities by the Company**

The Company has not dealt for value in the Offeror Securities during the period commencing three months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

5.3 **Interests of Directors in Offeror Securities**

None of the Directors has any direct or indirect interests in the Offeror Securities as at the Latest Practicable Date.

5.4 **Dealings in Offeror Securities by the Directors**

None of the Directors has dealt for value in the Offeror Securities during the period commencing three months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

5.5 **Interests of the Directors in the Company Securities**

Save as disclosed below, as at the Latest Practicable Date, none of the Directors has any direct or indirect interests in the Company Securities:

	Direct interest		Deemed interest		Total interest	
Name of Director	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**
Ong Mui Eng [2]	11,505,664	1.76	321,748	0.05	11,827,412	1.81
Ong Eng Loke [3]	36,090,858	5.53	884,000	0.14	36,974,858	5.67
Ong Eng Keong	–	–	–	–	–	–
Ong Eng Hui David	41,185,000	6.31	–	–	41,185,000	6.31
Huang Yuan Chiang	–	–	–	–	–	–

Notes:

(1) Based on 652,661,100 Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Ong Mui Eng is deemed to have an interest in the Shares held by his spouse.

(3) Ong Eng Loke is deemed under Section 4 of the SFA to have an interest in the shares held by OME Investment Holding Pte Ltd, in which he and/or his associates are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares thereof.

5.6 **Dealings in Company Securities by the Directors**

None of the Directors has dealt for value in the Company Securities during the period commencing three months prior to the Offer Announcement Date, and ending on the Latest Practicable Date.

5.7 **Company Securities owned or controlled by the IFA**

None of Provenance Capital or any funds whose investments are managed by Provenance Capital on a discretionary basis owns or controls any Company Securities as at the Latest Practicable Date.

5.8 **Dealings in Company Securities by the IFA**

None of Provenance Capital or any funds whose investments are managed by Provenance Capital on a discretionary basis has dealt for value in any Company Securities during the period commencing three months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.9 **Current Ong Directors' Intentions in relation to the Offer**

As at the Latest Practicable Date, the Current Ong Directors and their immediate family members collectively hold an aggregate of 190,981,273 Shares, representing approximately 29.26% of the total number of issued Shares. Notwithstanding the recommendation of the Recommending Directors in their capacity as Directors (as set out in Section 10.5 of this Circular), the Current Ong Directors have informed the Company that given their views relating to the Exercise as set out in Section 10.6 of this Circular and as Evercore's efforts are ongoing, as at the Latest Practicable Date, the Current Ong Directors and their immediate family members do not intend to accept the Offer in respect of their respective beneficial holdings of Offer Shares as they remain focused on determining whether shareholder value can be maximised through the Exercise. However, the Current Ong Directors and their immediate family members reserve their rights to review their position in the event that a superior offer does not emerge following the Exercise.

6. OTHER DISCLOSURES

6.1 DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date:

(a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and

(b) there are no such service contracts entered into or amended during the period commencing six months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

6.2 Arrangements affecting Directors

As at the Latest Practicable Date:

(a) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer;

(b) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer; and

(c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

7. MATERIAL CONTRACTS WITH INTERESTED PERSONS[21]

As at the Latest Practicable Date, save as disclosed in publicly available information on the Company (including but not limited to the annual reports of the Company and other announcements released by the Company), neither the Company nor any of its subsidiaries has entered into material contracts (other than those entered into in the ordinary course of business) with persons who are interested persons during the period commencing three years before the Offer Announcement and ending on the Latest Practicable Date.

8. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole. As at the Latest Practicable Date, the Directors are not aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any litigation, claims or proceedings, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

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[21] An "interested person" is defined in Note 1 on Rule 23.12 of the Code to mean:

(a) a director, chief executive officer or substantial shareholder of the Company;

(b) the immediate family of a director, the chief executive officer or a substantial shareholder (being an individual) of the Company;

(c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;

(d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;

(e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or

(f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more.

9. FINANCIAL INFORMATION

9.1 Consolidated income statements

The audited consolidated income statements of the Group for FY2019, FY2020, and FY2021 are summarised in the table below. The summary is extracted from, and should be read together with, the annual reports and the consolidated financial statements of the Group for the relevant financial periods and the related notes thereto (copies of which are available for inspection at the Company's registered office as mentioned in paragraph 11 of Appendix II to this Circular).

	Audited FY2021 S$'000	**Audited FY2020 S$'000**	**Audited FY2019 S$'000**
Revenue	10,124	10,311	14,524
Cost of sales	(4,403)	(4,278)	(4,239)
Changes in fair value of investment securities	(137)	5,225	470
Gross profit	5,584	11,258	10,755
Other income	5,601	6,978	3,619
General and administrative costs	(5,835)	(6,484)	(5,957)[2]
Foreign exchange gain/(loss)	(112)	(161)	–[1]
Other operating costs	(959)	(5,109)	(310)
Finance costs	(1,598)	(1,919)	(2,347)
Share of after tax results of associates and joint ventures	2,757	505	1,338
Profit before taxation	5,438	5,069[2]	7,098
Income tax credit/(expense)	348	(907)	(641)
Net profit after taxation	5,787[2]	4,161[2]	6,456[2]
Attributable to:			
Owners of the Company	5,717	4,155	6,481
Non-controlling interests	70	7	(25)
	5,787	4,161[2]	6,456
Earnings per share (cents):			
Basic and fully diluted	0.88	0.64	0.99
Dividends per share (cents)	1.00	1.00	1.00

Notes:

(1) The Group incurred a foreign exchange loss of S$206,095 in FY2019 which was included as part of the general and administrative costs in the consolidated income statement of the Group for FY2019.

(2) Does not add due to rounding.

9.2 **Consolidated balance sheet**

A summary of the audited consolidated balance sheet of the Group for FY2021 is set out below:

	FY2021 S$'000
Equity attributable to owner of the Company	
Share capital	172,154
Treasury shares	(260)
Reserves	14,229
	186,123
Non-controlling interests	54
Total equity	186,177
Non-current assets	
Property, plant and equipment	3,875
Investment properties	142,556
Investment in associates	30,050
Investment in joint ventures	4,752
Investment securities	18,961
Other receivables and assets	4,700
	204,894
Current assets	
Trade receivables	822
Prepayments and deposits	161
Other receivables and assets	3,352
Amounts due from associates	6,227
Investment securities	23,387
Cash and bank balances	42,230
	76,178(1)
Investment property classified as held for sale	3,165
	79,343(1)
Total assets	284,237
Current liabilities	
Bank overdraft	(377)
Trade payables	(362)
Other payables	(3,486)
Accrued operating expenses	(2,429)
Amounts due to associates	(1,996)
Bank loans (secured)	(52,599)
Tax payable	(1,889)
	(63,138)
Net current assets	16,205
Non-current liabilities	
Other payables	(6,356)
Bank loans (secured)	(23,355)
Deferred tax liabilities	(5,211)
	(34,922)
Total liabilities	(98,060)
Net assets	186,177

Note:

(1) Does not add due to rounding.

9.3 **Significant accounting policies**

The audited consolidated financial statements of the Group for FY2021 have been prepared in accordance with the provisions of the Companies Act and the Singapore Financial Reporting Standards (International). A summary of the significant accounting policies of the Group are set out in Note 2 of the audited consolidated financial statements of the Group for FY2021 contained in the FY2021 Annual Report (a copy of which is available for inspection at the Company's registered office as mentioned in paragraph 11 of Appendix II to this Circular).

9.4 **Changes in accounting policies**

As at the Latest Practicable Date, there has been no change in the accounting policies of the Group since the date of its audited consolidated financial statements for FY2021 which will cause the figures set out in paragraphs 9.1 and 9.2 of Appendix II to this Circular to be not comparable to a material extent.

9.5 **Material changes in financial position**

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to the FY2021 Annual Report), as at the Latest Practicable Date, there has been no known material change in the financial position of the Company since 31 December 2021, being the date to which the Company's last published audited consolidated financial statements were made up.

The Company's unaudited financial statements for the six-month period ending 30 June 2022 will be issued by 15 August 2022.

9.6 **Material change in information**

Save as disclosed in this Circular and save for the information relating to the Company and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

9.7 **Valuation of Subject Properties**

The Company has commissioned independent valuations of the Subject Properties. A copy of the Valuation Reports and/or Certificates (each of which includes the basis of the valuation) is set out in Appendix V to this Circular. Save for such Valuation Reports and/or Certificates and the consent letters issued by the respective Valuers, the Valuers do not accept any responsibility for any part of this Circular or any other document issued by or on behalf of the Company in connection with the Offer.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the Subject Properties, which are the subject of a valuation given in connection with the Offer, were to be sold at the amount of the valuation. Based on the market value of the Subject Properties provided to the Company by the Valuers, the potential tax liabilities that may be incurred by the Company on such hypothetical disposal of the Subject Properties is S$9.0 million. The aforesaid tax liabilities will not crystallise if the Company does not dispose of its interests in the Subject Properties.

As at the Latest Practicable Date, the Company has no immediate plans to dispose of its interests in the Subject Properties and as such, the aforementioned tax liabilities are not likely to crystallise.

Savills did not prepare this Circular and does not accept any responsibility for any part of this Circular or any other document issued by or on behalf of the Company in connection with the Offer. Savills' liability is several and not joint, and Savills shall not be liable for any other party's breach or negligence. The attention of Shareholders is drawn to the basis of preparation of Savills' Valuation Report (including the basis for reliance) as set out therein. Savills accepts responsibility only for the information contained in its Valuation Report, subject to the specific conditions set out in its Valuation Report. Savills' Valuation Report was prepared solely on the instructions of the Company and subject to terms, including limitations on liability agreed between Savills and the Company. Savills has not been made aware by the Company or any other parties of any material change in any matter relating to the properties which are the subject of its Valuation Report since the date of its Valuation Report. No reliance may be placed upon the contents of Savills' Valuation Report by any party for any purpose other than the purpose for which its Valuation Report was prepared.

10. GENERAL

(a) All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

The expenses and costs in relation to the Offer or any competing offer (the "**Transaction**") will only be determined upon close of the Transaction. Such expenses and costs include success fees (if any) payable to the FA and fees payable to the IFA, the Valuers, the legal adviser to the Company and the printers, among others. To the best of the knowledge of the Recommending Directors as at the Latest Practicable Date, the Company does not expect such expenses and costs to represent more than 3.7% of the total value of the Offer (based on the Revised Offer Price).

(b) Provenance Capital has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name, (ii) the IFA Letter, and (iii) all references thereto in the form and context in which they appear in this Circular.

(c) Evercore has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name, and (ii) all references to its name in the form and context in which they appear in this Circular.

(d) The Valuers have each given and have not withdrawn their respective written consents to the issue of this Circular with the inclusion of (i) its name, (ii) its respective Valuation Report and/or Certificate, and (iii) all references to its name in the form and context in which they appear in this Circular.

(e) Ernst & Young LLP, named as the auditors of the Company, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name, (ii) the independent auditor's report in relation to the audited consolidated financial statements of the Group for FY2021 as set out in Appendix IV of this Circular, and (iii) all references to its name in the form and context in which they appear in this Circular.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 38 South Bridge Road, Singapore 058672 during normal business hours for the period during which the Offer remains open for acceptance:

(a) the IFA Letter as set out in Appendix I to this Circular;

(b) the letters of consent referred to in paragraph 10 above;

(c) the Constitution, key extracts of which are set out in Appendix III to this Circular;

(d) the annual reports of the Company for FY2019, FY2020 and FY2021, which include the audited consolidated financial statements of the Group for FY2021 as set out in Appendix IV to this Circular; and

(e) the Valuation Reports and/or Certificates as set out in Appendix V to this Circular.

APPENDIX III

RELEVANT PROVISIONS IN THE CONSTITUTION OF THE COMPANY

The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been extracted from the Constitution and are reproduced below in italics*:*

1. RIGHTS IN RESPECT OF CAPITAL

"SHARES

7. (1) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.

(2) The Company may issue shares for which no consideration is payable to it.

8. Subject to the Statutes and this Constitution, the Directors must not, without the prior approval of the Company in general meeting, issue any shares, but subject thereto and to regulation 69, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit. Any such shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors Provided always that:

(a) (subject to any direction to the contrary that may be given by the Company in general meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of regulation 69(1) with such adaptations as are necessary shall apply; and

(b) any other issue of shares, the aggregate of which would exceed the limits referred to in regulation 69(2), shall be subject to the approval of the Company in general meeting.

9. Notwithstanding anything in this Constitution, a treasury share shall be subject to such rights and restrictions as may be prescribed in the Act and may be dealt with by the Company in such manner as may be permitted by, and in accordance with, the Act. For the avoidance of doubt, save as expressly permitted by the Act, the Company shall not be entitled to any rights of a Member under this Constitution.

10. (1) Preference shares may be issued subject to such limitation thereof as may be prescribed by law or by the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed). Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports, balance sheets and financial statements and attending general meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears. In the event of preference shares being issued, the total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares.

(2) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.

11. If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall with such adaptations as are necessary apply. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply,

Provided always that:

(a) the necessary quorum shall be two (2) persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll, but where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two (2) months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting; and

(b) where all the issued shares of the class are held by one (1) person, the necessary quorum shall be one (1) person and such holder of shares of the class present in person or by proxy or by attorney may demand a poll.

12. The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholders' rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned. Provided always that where the necessary majority for such a Special Resolution is not obtained at a meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a Special Resolution carried at the meeting.

13. The rights conferred upon the holders of the shares of any class issued with preferred rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.

TRANSFER OF SHARES

25. Subject to the restrictions of this Constitution and any restrictions imposed by law or the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), any Member may transfer all or any of his shares, but every instrument of transfer of the legal title in shares must be in writing and in the form approved by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), or in any other form acceptable to the Directors, and must be left at the Office (or such other place as the Directors may appoint) for registration, accompanied by the certificate(s) of the shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor, or his right to transfer the shares.

26. Shares of different classes shall not be comprised in the same instrument of transfer.

27. The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof; Provided always that the Directors may dispense with the execution of the instrument of transfer by the transferee in any case in which they think fit in their discretion so to do.

28. All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.

29. No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs but nothing herein contained shall be construed as imposing on the Company any liability in respect of the registration of such transfer if the Company has no actual knowledge of the same.

30. Subject to any legal requirements to the contrary, the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six (6) years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six (6) years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six (6) years from the date of the cancellation thereof and it shall be conclusively presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other documents so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company,

Provided always that:

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

(b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any circumstances which would not attach to the Company in the absence of this regulation;

(c) references herein to the destruction of any document include references to the disposal thereof in any manner; and

(d) any document referred to in this regulation 30(b) and (c) may be destroyed at a date earlier than that authorised by this regulation provided that a copy of such document shall have been made (in any form whether in electronic or digital form) which shall not be destroyed before the expiration of the period applicable to the destruction of the original of such document and in respect of which the Directors shall take adequate precautions for guarding against falsification and for facilitating its production.

31. (1) There shall be no restriction on the transfer of fully paid up shares (except where required by law or the listing rules of, or bye-laws and rules governing, the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve.

(2) The Directors may decline to recognise any instrument of transfer of shares unless:

(a) a fee not exceeding S$2/- (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed)) as the Directors may from time to time require, is paid to the Company in respect thereof;

(b) the amount of proper duty (if any) with which each instrument of transfer of shares is chargeable under any law for the time being in force relating to stamp duty is paid;

(c) the instrument of transfer is deposited at the Office (or such other place as the Directors may appoint) and is accompanied by a certificate of payment of stamp duty (if any), the certificate of the shares to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and where the instrument is executed by some other person on his behalf, the authority of the person so to do; and

(d) the instrument of transfer is in respect of only one (1) class of shares.

32. If the Directors refuse to register a transfer of any shares, they must within ten (10) Market Days after the date on which the transfer was lodged with the Company (or such period of time as may be prescribed by the listing rules of the Exchange and where applicable, any other securities exchange upon which the shares in the Company are listed) give to the transferor and to the transferee notice of their refusal to register as required by the Act.

33. The Register of Members, the Depository Register and the Register of Transfers may be closed at such times and for such period as the Directors may from time to time determine; Provided always that it shall not be closed for more than thirty (30) days in any year (in aggregate) and during such periods the Directors may suspend the registration of transfers. Further Provided always that the Company shall give prior notice of such closure as may be required to the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), stating the period and purpose or purposes for which the closure is to be made.

34. Nothing in this Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

35. Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by relevant parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. In every such case, the person registered as transferee, his executors, trustees, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

CONVERSION OF SHARES INTO STOCK

65. The Company may from time to time by Ordinary Resolution convert any paid up shares into stock and may from time to time by like resolution reconvert such stock into paid up shares.

66. When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in general meeting shall direct, but in the absence of such direction, the respective interests may be transferred in the same manner and subject to the same regulations as the shares from which the stock arose would have been transferred prior to conversion or as near thereto as circumstances will admit. But the Directors may if they think fit from time to time fix the minimum number of stock units transferable, and restrict or forbid the transfer of fractions of that minimum.

67. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by the number of stock units which would not, if existing in shares, have conferred that privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

68. All such provisions of this Constitution as are applicable to paid up shares shall apply to stock and in all such provisions the words 'share' and 'shareholder' shall include 'stock' and 'stockholder'.

ALTERATIONS OF CAPITAL

69. (1) Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), all new shares shall before issue be offered to such Members who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined. After the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares), in the opinion of the Directors, cannot be conveniently offered under this regulation 69(1).

(2) Notwithstanding regulation 69(1), the Company may by Ordinary Resolution in general meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:–

(a) (i) issue shares of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, 'Instruments') that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

(b) (even though the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

Provided always that:–

(1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued pursuant to Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed);

(2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) for the time being in force (unless such compliance is waived by the Exchange and where applicable, any other securities exchange upon which the shares in the Company are listed) and this Constitution; and

(3) (unless revoked or varied by the Company in general meeting) the authority conferred by the Ordinary Resolution continues to be in force until the conclusion of the annual general meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such annual general meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).

70. Notwithstanding regulation 69 above but subject to the Act, the Directors shall not be required to offer any new shares or make or grant any Instruments to Members to whom by reason of foreign securities laws such offer of shares or making or granting of Instruments may not be made without registration of the shares or Instruments or a prospectus or other document, but may, at their absolute discretion and on such terms and conditions as the Directors deem fit, sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

71. Subject to any directions that may be given in accordance with the powers contained in this Constitution, any capital raised by the creation of new shares shall be considered as part of the original capital as consisting of ordinary shares and shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of the original capital.

72. (1) The Company may by Ordinary Resolution, or as otherwise permitted by the provisions of the Statutes:

(a) consolidate and divide all or any of its shares;

(b) subdivide its shares or any of them (subject nevertheless to the provisions of the Statutes and this Constitution) provided always that in the subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share is the same as it was in the case of the share from which the reduced share is derived;

(c) cancel the number of shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its capital by the number of the shares so cancelled; and

(d) subject to the provisions of the Statutes (and to the extent permitted under the listing rules of the Exchange), convert its share capital or any class of shares from one currency to another currency.

(2) The Company may by Special Resolution and subject to and in accordance with the Statutes, convert one (1) class of shares into another class of shares.

73. (1) The Company may reduce its share capital or any undistributable reserve in any manner, subject to any requirements and consents required by law.

(2) Subject to and in accordance with the provisions of the Act, the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) and any applicable legislation or regulation, the Company may authorise the Directors in general meeting to purchase or otherwise acquire ordinary shares, stocks, preference shares, options, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly."

2. RIGHTS IN RESPECT OF VOTING

"NOTICE OF GENERAL MEETINGS

76. Any general meeting at which it is proposed to pass Special Resolutions or (save as provided by the Statutes) a resolution of which special notice has been given to the Company pursuant to the Act, must be called by at least twenty-one (21) clear days' notice in writing. An annual general meeting or any other general meeting must be called by at least fourteen (14) clear days' notice in writing. The notice must specify the place, the day and the hour of the meeting. Such notice must be given in the manner hereinafter mentioned to all Members other than those who are not under the provisions of this Constitution and the Act entitled to receive such notices from the Company. The period of notice shall be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held. So long as the shares in the Company are listed on the Exchange, at least fourteen (14) days' notice of every general meeting shall be given by advertisement in the daily press and in writing to the Exchange.

Subject to the provisions of the Act and the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), even though a general meeting has been called by a shorter notice than that specified above, it is deemed to have been duly called if it is agreed:

(a) in the case of an annual general meeting by all the Members entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent (95%) of the total voting rights of all the Members having a right to vote at that meeting.

Provided also that the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting or any resolution passed thereat.

77. Notice of every general meeting must be given in any manner authorised by this Constitution to:

(a) every Member holding shares conferring the right to attend and vote at the meeting who at the time of the convening of the meeting shall have paid all calls or other sums presently payable by him in respect of shares;

(b) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the meeting;

(c) every Director;

(d) the Auditors, without prejudice to regulation 183; and

(e) the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed).

No other person shall be entitled to receive notices of general meetings; Provided always that if the meeting is called for the alteration of the objects of the Company, the notice must comply with the provisions of Section 33 of the Act regarding notices to debenture holders.

78. There shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that such proxy need not be a Member.

79. Routine business shall mean and include only business transacted at an annual general meeting of the following classes, that is to say:

(a) receiving and adopting the financial statements, the Directors' statement, the Auditor's report and other documents required to be attached to the financial statements;

(b) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

(c) fixing of the fees of Directors proposed to be paid under regulation 103(1);

(d) declaring dividends; and

(e) appointing or re-appointing Auditors and fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

All other business to be transacted at any annual general meeting of the Company shall be deemed to be special business. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

80. In the case of any general meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice must contain a statement to that effect.

PROCEEDINGS AT GENERAL MEETINGS

81. No business other than the appointment of a chairperson shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two (2) Members present in person shall form a quorum. For the purposes of this regulation, 'Member' includes a person attending as a proxy and a corporation being a Member is deemed to be personally present if represented in accordance with the provisions of Section 179(3) of the Act and such corporation's representative is not otherwise entitled to be present at the meeting as a Member or proxy or as a corporate representative of another Member. Provided always that (i) a proxy representing more than one (1) Member shall only count as one (1) Member for the purpose of determining the quorum; and (ii) where a Member is represented by more than one (1) proxy such proxies shall count as only one (1) Member for the purpose of determining the quorum.

82. If within half an hour from the time appointed for the holding of a general meeting (or such longer interval as the chairperson of the meeting may think fit to allow) a quorum is not present, the meeting if convened on the requisition of Members shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday then the next business day following that public holiday) at the same time and place, or to such other day, time or place as the Directors may determine. If at the adjourned meeting, a quorum is not present within half an hour from the time appointed for holding the general meeting, the Member(s) present in person or by proxy or attorney or in the case of a corporation by a representative shall be a quorum.

83. The Chairperson of the Board or, in his absence, the Deputy Chairperson (if any) shall preside as Chairperson at every general meeting, but if there be no such Chairperson or Deputy Chairperson appointed, or if at any meeting neither of them is present within fifteen (15) minutes after the time appointed for holding the same, the Directors present or in default the Members present shall choose a Director, or if no Director be present, or if all the Directors present decline to take the chair, they shall choose some Member present to be Chairperson of the meeting.

84. The Chairperson of the meeting may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty (30) days or more or sine die, not less than seven (7) days' notice of the adjourned meeting shall be given in like manner as in the case of a general meeting. Save as aforesaid it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

85. (1) If required by the listing rules of the Exchange, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the Exchange).

(2) Subject to regulation 85(1), at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

(a) the Chairperson of the meeting; or

(b) at least two (2) Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one (1) of such proxies may represent that Member) or attorney or in the case of a corporation by a representative, and having the right to vote thereat; or

(c) any Member or Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one (1) of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than five per cent (5%) of the total voting rights of all the Members having the right to vote at the meeting; or

(d) any Member or Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than five per cent (5%) of the total sum paid up on all the shares conferring that right.

A demand for a poll made pursuant to regulation 85(2) may be withdrawn only with the approval of the Chairperson of the meeting, and any such demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Unless a poll is so demanded (and the demand is not withdrawn), a declaration by the Chairperson that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

86. Subject to regulation 87, where a poll is taken, it shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place as the Chairperson of the meeting may direct and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. No notice need be given of a poll not taken at once. In case of any dispute as to the admission or rejection of a vote, the Chairperson shall determine the same and such determination made in good faith shall be final and conclusive. The Chairperson of the meeting may (and, if required by the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed) or if so directed by the meeting shall) appoint scrutineer(s) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

87. *A poll on the election of a Chairperson of a meeting or on a question of adjournment shall be taken immediately. A poll on any other question shall be taken either immediately or at such subsequent time as the Chairperson of the meeting may direct. No notice need be given of a poll not taken at once.*

88. *Subject to the listing rules of the Exchange (and where applicable, any other securities exchange upon which the shares in the Company are listed), if at any general meeting any votes shall be counted which ought not to have been counted or might have been rejected, or if votes are not counted which ought to have been counted, the error shall not vitiate the result of the vote unless it is pointed out at the same meeting at which the vote is taken or at any adjournment thereof, and is in the opinion of the Chairperson of sufficient magnitude to vitiate the result of the voting. The decision of the Chairperson of the meeting on such matters shall be final and conclusive.*

89. *The Members may, if the Directors at their absolute discretion deem fit, participate at a general meeting by telephone or video conference or by means of similar communication equipment whereby all persons participating in the meeting are able to hear and, if applicable, see each other and such participation shall constitute presence in person at such meeting and Members (or their proxy or, in the case of a corporation, their respective corporate representatives) so participating shall be counted in the quorum for the meeting. Such a meeting shall be deemed to take place where the largest group of Members (or their proxy, or in the case of a corporation, their respective corporate representatives) present for purposes of the meeting is assembled.*

VOTES OF MEMBERS

90. (1) *Each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.*

(2) *Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to regulation 9, every Member entitled to attend and vote at a general meeting of the Company or at a general meeting of any class of Members, who is present in person or by proxy, attorney or corporate representative (as applicable) shall have one (1) vote for every share which he holds or represents, Provided always that:*

(a) *where a Member is represented by one (1) or more proxies and the voting is conducted by way of a poll, the provisions of regulation 94 shall apply; and*

(b) *where a Member who is not a relevant intermediary is represented by two (2) proxies, only one (1) of the two (2) proxies as determined by that Member, or failing such determination, by the Chairperson of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and*

(c) *where a Member who is a relevant intermediary is represented by two (2) or more proxies, each proxy shall be entitled to vote on a show of hands.*

(3) *For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any general meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at seventy-two (72) hours (or any such time permitted under the Statutes) before the time of the relevant general meeting as certified by the Depository to the Company.*

91. *A Member who is mentally disordered or whose person or estate is liable to be dealt with in any way under the law relating to mental capacity may vote, whether on a show of hands or on a poll, by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, but no person claiming to vote pursuant to this regulation shall do so unless such evidence as the Directors may require of his authority shall have been deposited at the Office not less than seventy-two (72) hours before the time for holding the meeting at which he wishes to vote.*

92. In the case of joint Members, any one (1) of such Members may vote at any general meeting and be reckoned in a quorum at any general meeting, whether in person or by proxy, but if more than one (1) of such joint Members is present at the meeting, then in voting upon any question, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the share and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or the Depository Register (as the case may be). Several executors, trustees or administrators of a deceased Member in whose name any share stands shall for the purpose of this regulation be deemed joint holders thereof. For the purposes of quorum, joint holders of any share or joint Depositors shall be treated as one Member.

93. Save as expressly provided herein or in the Act, no person other than a Member duly registered, and only in respect of shares upon which all calls due to the Company have been paid, shall be entitled to be present or to vote on any question, either personally or by proxy, attorney or representative at any general meeting.

94. (1) Subject to the provisions of the Statutes:

(a) a Member who is not a relevant intermediary may appoint not more than two (2) proxies to attend, speak and vote at the same general meeting. Where such Member's form of proxy appoints more than one (1) proxy, the proxy form must specify the proportion of the Member's shareholding to be represented by each proxy and if no such proportion is specified, the first named proxy shall be deemed to represent 100% of the shareholdings and any second-named proxy shall be deemed to be an alternate to the first named; and

(b) a Member who is a relevant intermediary may appoint more than two (2) proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member, and the proxy form must specify the number and class of shares in relation to which each proxy has been appointed. If the form does not specify the required information, the first-named proxy shall be deemed to represent 100% of the shareholdings.

(2) In any case where a Member is a Depositor, the Company shall be entitled:

(a) to reject any instrument of proxy lodged by that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at seventy-two (72) hours (or any such time permitted under the Statutes) before the time of the relevant general meeting as certified by the Depository to the Company; and

(b) for the purposes of a poll, if only one proxy is appointed by the Depositor, to treat an instrument of proxy executed by a Depositor as representing the number of shares appearing against his name in the Depository Register as at seventy-two (72) hours (or any such time permitted under the Statutes) before the time of the relevant general meeting as certified by the Depository to the Company, notwithstanding the number of shares actually specified in the relevant instrument of proxy.

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

(4) A proxy or attorney need not be a Member.

(5) Voting right(s) attached to any shares in respect of which a Member has not appointed a proxy may only be exercised at the relevant general meeting by the Member personally or by his attorney, or in the case of a corporation by its representative.

(6) A Member who has deposited an instrument appointing any number of proxies to vote on his behalf at a general meeting is not precluded from attending and voting in person at that general meeting. Any such appointment of all the proxies concerned is deemed to be revoked upon the attendance of the Member appointing the proxy/proxies at the relevant general meeting.

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

(a) in the case of an individual, shall be:

(i) signed by the appointor or his attorney if the instrument is delivered personally or sent by post; or

(ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and

(b) in the case of a corporation, shall be:

(i) either given under its common seal, executed as a deed in accordance with the Act, or signed on its behalf by an attorney or a duly authorised officer of the corporation, or in some other manner approved by the Directors, if the instrument is delivered personally or sent by post; or

(ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of this regulation, designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

(2) The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to regulation 96(1), failing which the instrument may be treated as invalid.

(3) The Directors may, in their absolute discretion:

(a) approve the method and manner for an instrument appointing a proxy to be authorised; and

(b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in regulations 95(1)(a)(ii) and 95(1)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), regulation 95(1)(a)(i) and/or (as the case maybe) regulation 95(1)(b)(i) shall apply.

(4) The instrument appointing a proxy is deemed to confer authority generally to act at the meeting for the Member giving the proxy, including authority to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

96. (1) An instrument appointing a proxy:

(a) if sent personally or by post, must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office); or

(b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting,

and in either case, not less than seventy-two (72) hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided always that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with this regulation 96 for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

(2) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in regulation 96(1)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), regulation 96(1)(a) shall apply.

(3) In the event that forms of proxy are sent to Members of the Company together with any notice of meeting, the accidental omission to include the form of proxy to, or the non-receipt of such form of proxy by, any person entitled to receive a notice of meeting shall not invalidate any resolution passed or any proceeding at any such meeting.

97. Unless otherwise directed by the Chairperson of the meeting, a vote cast by proxy shall not be invalidated by the previous death or mental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made, Provided always that no intimation in writing of such death, mental disorder or revocation shall have been received by the Company at the Office at least seventy-two (72) hours before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

98. Any corporation which is a Member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members and the persons so authorised are entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member. The Company shall be entitled to treat a certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative under this regulation.

99. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting whose decision as to its validity shall be final and conclusive.

100. Subject to this Constitution and any applicable legislation, the Board may, at its sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile."

3. RIGHTS IN RESPECT OF DIVIDENDS

"DIVIDENDS AND RESERVES

159. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted by the Act, (a) all dividends shall be declared and paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and (b) all dividends shall be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. For the purposes of this regulation, no amount paid or credited as paid on a share in advance of a call shall be treated as paid on the share.

160. The Directors may, from time to time, set aside out of the profits of the Company and carry to reserve, such sum or sums as they think proper which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may properly be applied and pending such application, may either be employed in the business of the Company or be invested. The Directors may divide the reserve fund into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions (if any) of the Statutes.

161. The Directors may, upon the recommendation of the Directors and with the sanction of an Ordinary Resolution at a general meeting, from time to time declare dividends, but no such dividend is (except as by the Statutes expressly authorised) payable otherwise than out of the profits of the Company. No higher dividend shall be paid than is recommended by the Directors and a declaration by the Directors as to the amount of the profits at any time available for dividends shall be conclusive. The Directors may, if they think fit, and if in their opinion the profits of the Company justifies such payment, without any such sanction as aforesaid, from time to time declare and pay fixed dividends (either in cash or in specie) on any class of shares carrying a fixed dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and may also from time to time pay to the holders of any class of shares interim dividends of such amounts and on such dates and in respect of such periods as they may think fit.

162. The Company may upon the recommendation of the Directors and with the sanction of an Ordinary Resolution at a general meeting, direct payment of a dividend in whole or in part in specie by the distribution of specific assets (and in particular of paid-up shares or debentures or debenture stock of any other company or any combination of any specific assets) to the Members in accordance with their rights and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors shall have full liberty to make all such valuations, adjustments and arrangements and may settle the same as they think necessary or expedient with a view to facilitating (1) the equitable distribution amongst the Members of the dividends or portions of dividends to be satisfied or to give them the benefit of their proper shares and interests in the property, or (2) the compliance of laws, or (3) the resolution of any difficulty arising in regard to the distribution, and in particular, may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any Members in terms of the value so fixed, in order to adjust the rights of all parties. The Directors may vest any such specific assets in trustees as may seem expedient to the Directors and no valuation, adjustment or arrangement so made shall be questioned by any Member. Without prejudice to the foregoing, where the Directors are of the view that any distribution of specific assets to any Member whose registered address as recorded in the Register or Depository Register, as the case may be, is not within Singapore may infringe any relevant foreign law or necessitate compliance with conditions or requirements which the Directors in their absolute discretion regard as onerous or impracticable by reason of costs, delay or otherwise, the Directors may distribute such assets to such person(s) as the Directors may appoint for the purposes of sale (on such terms and conditions as the Directors deem fit) and distribute the proceeds (if any) thereof, after deducting all dealing and other expenses in connection therewith, to such Member or Members on a pro-rata basis.

163. (1) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on shares of a particular class in the capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of shares of that class credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:

(a) the basis of any such allotment shall be determined by the Directors;

(b) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of shares of the relevant class credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid. The Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend(s) or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this regulation;

(c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded, provided that the Directors may determine, either generally or in specific cases, that such right shall be exercisable in respect of the whole or any part of that portion; and

(d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on the shares of the relevant class in respect of which the share election has been duly exercised (the "elected shares") and in lieu of cash and in satisfaction thereof shares of the relevant class shall be allotted and credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid. For such purpose, and notwithstanding the provisions of regulation 173, the Directors shall (i) capitalise and apply out of the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sums as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected shares towards payment of the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis.

(2) (a) The shares of the relevant class allotted pursuant to the provisions of paragraph (1) of this regulation shall rank pari passu in all respects with the shares of that class then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.

(b) The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (1) of this regulation, with full power to make such provisions as they may think fit in the case of shares of the relevant class becoming distributable in fractions (including, notwithstanding any provision to the contrary in this Constitution, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the Members) and to authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such appropriation,

capitalisation, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

(3) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this regulation, determine that the rights of election under that paragraph shall not be made available to the persons who are registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit and, in such event, the provisions of this regulation shall be read and construed subject to such determination.

(4) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this regulation, further determine that:-

(a) no allotment of shares or rights of election for shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register are outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and, in such event, the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared; and

(b) no allotment of shares or rights of election for shares under paragraph (1) of this regulation shall be made available or made to a person, or any persons, if such allotment or rights of election would in the opinion of the Directors cause such person, or such persons, to hold or control voting shares in excess of any shareholding or other limits which may from time to time be prescribed in any Statute, without the approval of the applicable regulatory or other authority as may be necessary.

(5) Notwithstanding the foregoing provisions of this regulation, if at any time after the Directors' resolution to apply the provisions of paragraph (1) of this regulation in relation to any dividend but prior to the allotment of shares pursuant thereto, the Directors shall consider that, by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever, it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interests of the Company, cancel the proposed application of paragraph (1) of this regulation.

164. No shareholder shall be entitled to receive any dividend or to be present or vote at any meeting or upon a poll, or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).

165. The Directors may deduct from any dividend or other moneys payable to a Member in respect of any share held by such Member, either alone or jointly with any other Member, any or all sums of money as may be due and payable by him, either alone or jointly with any other person in respect of any debts, liabilities or engagements to the Company on account of calls or otherwise towards satisfaction (in whole or in part) of such debts, liabilities or engagements, or any other account which the Company is required by law to deduct.

166. A transfer of a share shall not pass the right to any dividend declared in respect thereof before the transfer has been registered.

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

(2) The Directors may retain the dividends payable on shares in respect of which any person is under this Constitution, as to the transmission of shares, entitled to become a Member, or which any person under this Constitution is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.

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

169. (1) Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto (or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or (as the case maybe) to the Depository for distribution to the Depositors entitled thereto or to such Member or person at such address as such persons may in writing direct or by such means (including, by electronic means) as the Directors may decide at their absolute discretion. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby and the Company shall not be responsible for the loss of any cheque or warrant sent through the post, which shall be sent by post duly addressed to the Member for whom it is intended.

(2) Notwithstanding the provisions of paragraphs (1) and (3) of this regulation, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

(3) Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

170. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six (6) years from the date they are first payable may be forfeited and if so forfeited, shall revert to the Company. However, the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividends or moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six (6) years has elapsed from the date such dividend or other moneys are first payable. For the avoidance of doubt no Member shall be entitled to any interest, share of revenue or other benefit arising from any unclaimed dividends or moneys, howsoever and whatsoever.

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

172. The Directors shall be at liberty to invest any sums carried to any reserve account or accounts upon such investments as they think fit, other than shares of the Company, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company (save as hereinbefore provided) and to divide the ordinary reserve account or accounts into such special accounts as they think fit with full power to employ the assets constituting the ordinary reserve account or accounts in the business of the company.

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

173. The Company may, upon the recommendation of the Directors, with the sanction of an Ordinary Resolution (including any Ordinary Resolution passed pursuant to regulation 69(2)):

(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to regulation 69(2)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

(b) capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of the profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to regulation 69(2)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up and amongst them as bonus shares in the proportion aforesaid.

174. The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under regulation 173, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for any such bonus issue and/or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all such Members.

175. In addition and without prejudice to the powers provided for by regulations 173 and 174 above, the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or noncumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue:

(a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by Members in general meeting and on such terms as the Directors shall think fit; or

(b) be held by or for the benefit of non-executive Directors as part of their remuneration under regulation 103(1) and/or regulation 103(2) approved by Members in general meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing."

4. RIGHTS IN RESPECT OF WINDING-UP

"***WINDING-UP***

190. If the Company shall be wound up, subject to due provision being made for satisfying the claims of any holders of shares having attached thereto any special rights in regard to the repayment of capital, the surplus assets shall be applied in repayment of the capital paid up or credited as paid up on the shares at the commencement of the winding up.

191. If the Company shall be wound up (whether the liquidation is voluntary under supervision or by the Court), the liquidator may, with the sanction of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company, whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members, but if any division is resolved otherwise than in accordance with such rights, the Members shall have the same right of dissent and consequential rights as if such resolution were a Special Resolution passed pursuant to Section 306 of the Act. A Special Resolution sanctioning a transfer or sale to another company duly passed pursuant to the said Section may in like manner authorise the distribution of any shares or other consideration receivable by the liquidator amongst the Members otherwise than in accordance with their existing rights; and any such determination shall be binding upon all the Members subject to the right of dissent and consequential rights conferred by the said Section.

192. The liquidator may, as he thinks fit, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other securities in respect of which there is a liability.

193. In the event of a winding up of the Company, every Member who is not for the time being in Singapore shall be bound, within fourteen (14) days after the passing of an effective resolution to wind up the Company voluntarily, or within the like period after the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person in Singapore upon whom all summonses, notices, processes, orders and judgments in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee shall be deemed to be a good personal service on such Member for all purposes, and where the liquidator makes any such appointment he shall with all convenient speed, give notice thereof to such Member by advertisement in any English newspaper widely circulated in Singapore or by a registered letter sent through the post and addressed to such Member at his address as appearing in the Register of Members or (as the case may be) the Depository Register, and such notice shall be deemed to be served on the day following that on which the advertisement appears or the letter is posted."

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APPENDIX IV

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2021

The audited consolidated financial statements of the Group for FY2021 which are set out below have been reproduced from the FY2021 Annual Report, and were not specifically prepared for inclusion in this Circular.

All capitalised terms used in Note 2 to the audited consolidated financial statements of the Group for FY2021 set out below shall have the same meanings given to them in the FY2021 Annual Report.

A copy of the FY2021 Annual Report is available for inspection at the registered address of the Company at 38 South Bridge Road, Singapore 058672 during normal business hours until the Closing Date. The FY2021 Annual Report is also available on the websites of the Company and the SGX-ST at http://hwahongcorp.com/investorrelations/ and www.sgx.com respectively.

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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Hwa Hong Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2021.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

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

Directors

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

Mak Lye Mun	(Chairman)
Ong Eng Yaw	(Acting Group Managing Director)
Ong Mui Eng	
Ong Eng Loke	(Alternate Director to Mr Ong Mui Eng)
Ong Hian Eng	
Ong Eng Keong	(Alternate Director to Dr Ong Hian Eng)
Guan Meng Kuan	
Huang Yuan Chiang	
Tham Chee Soon	
Ong Eng Hui David	

Arrangements to enable directors to acquire shares and debentures

At an extraordinary general meeting of the Company held on 7 November 2003, shareholders of the Company approved, *inter alia*, a scrip dividend scheme known as Hwa Hong Corporation Limited Scrip Dividend Scheme (the "Scrip Dividend Scheme"), which, if applied, provides an opportunity for shareholders of the Company to make an election to receive dividends in the form of ordinary shares in the Company, instead of cash. Pursuant to the Scrip Dividend Scheme, directors who are also shareholders of the Company may elect to receive their dividend entitlements in the form of ordinary shares in the Company if the directors of the Company have determined that the Scrip Dividend Scheme is to apply to a particular dividend.

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

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under section 164 of Companies Act 1967, an interest in shares of the Company as stated below:

	Shares beneficially held by director		Shareholdings in which director is deemed to have an interest	
	At 1.1.2021/date of appointment	At 31.12.2021	At 1.1.2021/date of appointment	At 31.12.2021
Ong Eng Yaw	5,967,200	5,967,200	80,986,000	80,986,000
Ong Mui Eng	11,505,664	11,505,664	321,748	321,748
Ong Hian Eng	28,284,623	28,284,623	–	–
Guan Meng Kuan	1,034,860	1,034,860	–	–
Ong Eng Hui David	41,185,000	41,185,000	–	–

There were no changes in the Directors' interest in the Company between the end of the financial year and 21 January 2022.

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

Share options

Hwa Hong Corporation Limited (2001) Share Option Scheme

At an Extraordinary General Meeting held on 29 May 2001, shareholders approved the Hwa Hong Corporation Limited (2001) Share Option Scheme (the "Scheme"). The Scheme will continue in operation for a maximum period of 10 years from 29 May 2001, unless otherwise extended and subject to relevant approvals. At the 58th Annual General Meeting held on 27 April 2011, shareholders approved the extension of the Scheme for another ten years to 28 May 2021. There was no further extension and the Scheme had lapsed on 28 May 2021.

The principal features of the Scheme had been set out in previous years' Directors' Reports.

The Scheme was administered by the Remuneration Committee, comprising the following directors who were ineligible for the Scheme:

Huang Yuan Chiang (Chairman)
Mak Lye Mun
Guan Meng Kuan

Since the commencement of the Scheme till 28 May 2021, no options had been granted to directors and employees of the Company and its subsidiaries.

DIRECTORS' STATEMENT

Audit and Risk Committee

The Audit and Risk Committee performed, *inter alia*, the functions specified in the Companies Act 1967. The functions performed are set out in the Corporate Governance Report.

The Audit and Risk Committee has nominated Ernst & Young LLP for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Material contracts involving the interests of Chief Executive Officer, each director or controlling shareholder

Since the end of the previous financial year, the Company and its subsidiaries did not enter into any material contracts involving the interests of the Chief Executive Officer, each director or controlling shareholder (as defined under the Listing Manual of the Singapore Exchange Securities Trading Limited) of the Company and no such material contracts subsist at the end of the financial year, except as disclosed in the accompanying notes and that Singapore Warehouse Company (Private) Ltd. ("SWC"), a wholly owned subsidiary, has entered into a property joint venture and related transactions with certain related corporations of Hong Leong Investment Holdings Pte. Ltd., a controlling shareholder of the Company. The joint venture is Hong Property Investments Pte Ltd in which SWC has an interest of 30%.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Ong Eng Yaw
Director

Ong Mui Eng
Director

Singapore
1 March 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hwa Hong Corporation Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, and the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (cont'd)

Valuation of investment properties

The Group's investment properties represent 50% of the Group's total assets as at 31 December 2021. These investment properties are accounted using the cost model. For purposes of assessing whether an investment property is impaired and/or its recoverable amount, management uses their fair value. The fair value of the investment properties is significant to our audit due to the judgmental nature of its determination and their consequential related disclosures. The fair value assessment is complex and highly dependent on a range of assumptions made by management as well as the external valuation experts engaged by management. The most significant judgements and estimates affecting the value of the properties are comparable market transactions, net rental income and rate of return which reflects the tenure and quality of the investments. There was an increase in the level of estimation uncertainty in determining the valuation of investment property arising from the changes in market and economic conditions brought on by the COVID-19 pandemic.

Amongst other audit procedures, we have considered the objectivity, independence and expertise of the external valuation experts. We discussed with the external valuation experts and management about the appropriateness of the valuation model and property related data, including key estimates used by them. In addition, we involved our internal real estate and valuation specialists to assist us in reviewing the appropriateness of the data used in the estimation process. We researched for market data to compare against the assumptions used in the valuation to assess whether the assumptions used are supported by observable market data. We assessed whether the valuation methodology and techniques used were complete, adequate and consistent with appraisal methodology given the nature of the investment properties. The related disclosures for investment properties are included in Note 15, Note 34 and Note 35.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

Responsibilities of Management and Directors for the Financial Statements (cont'd)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Tan Seng Choon.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
1 March 2022

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2021

	Note	Group	
		2021 $	2020 $
Revenue	4	10,123,691	10,310,652
Cost of sales	5	(4,402,980)	(4,278,257)
Changes in fair value of investment securities		(136,861)	5,225,328
Gross profit		5,583,850	11,257,723
Other income	6	5,601,186	6,977,964
General and administrative costs	7	(5,834,932)	(6,483,864)
Foreign exchange loss		(111,902)	(161,179)
Other operating costs	8	(959,477)	(5,108,664)
Finance costs	9	(1,597,731)	(1,918,636)
Share of results of associates and joint ventures		2,757,484	505,384
Profit before tax		5,438,478	5,068,728
Income tax credit/(expense)	10	348,231	(907,483)
Profit for the year		5,786,709	4,161,245
Attributable to:			
Owners of the Company		5,716,653	4,154,595
Non-controlling interests		70,056	6,650
Profit for the year		5,786,709	4,161,245
Earnings per share (cents):			
Basic and fully diluted	11	0.88	0.64

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Group	
	2021 $	2020 $
Profit for the year	5,786,709	4,161,245
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Net change on equity instruments at fair value through other comprehensive income	(367,873)	(1,462,976)
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	351,553	685,850
Reclassification adjustments for gains included in profit or loss relating to disposal of investment properties, which were previously revalued and purchased from an associate	(130,502)	(252,472)
Other comprehensive income for the year, net of tax	(146,822)	(1,029,598)
Total comprehensive income for the year	5,639,887	3,131,647
Attributable to:		
Owners of the Company	5,571,212	3,125,225
Non-controlling interests	68,675	6,422
Total comprehensive income for the year	5,639,887	3,131,647

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

BALANCE SHEETS

As at 31 December 2021

	Note	Group		Company	
		2021	2020	2021	2020
		$	$	$	$
Equity attributable to owners of the Company					
Share capital	12(a)	172,153,626	172,153,626	172,153,626	172,153,626
Treasury shares	12(b)	(260,086)	(260,086)	(260,086)	(260,086)
Reserves	13	14,229,581	15,184,980	10,888,019	10,804,763
		186,123,121	187,078,520	182,781,559	182,698,303
Non-controlling interests		53,843	(14,832)	–	–
Total equity		**186,176,964**	**187,063,688**	**182,781,559**	**182,698,303**
Non-current assets					
Property, plant and equipment	14	3,875,483	4,098,451	–	–
Investment properties	15	142,556,391	146,934,514	–	–
Investment in subsidiaries	16	–	–	172,367,836	173,826,668
Investment in associates	17	30,049,595	20,271,053	745,800	745,800
Investment in joint ventures	18	4,751,665	4,240,792	–	–
Investment securities	19	18,960,983	23,173,745	–	–
Other receivables and assets	20	4,699,719	16,079,461	–	–
		204,893,836	214,798,016	173,113,636	174,572,468
Current assets					
Trade receivables	21	822,016	457,046	–	–
Prepayments and deposits		160,558	149,295	27,667	40,553
Other receivables and assets	20	3,351,648	2,605,393	–	–
Amounts due from subsidiaries	16	–	–	10,247,000	5,069,000
Amounts due from associates	17	6,227,138	5,773,735	–	–
Investment securities	19	23,386,737	17,327,369	–	–
Cash and bank balances	22	42,229,617	44,678,777	331,875	3,997,545
		76,177,714	70,991,615	10,606,542	9,107,098
Investment property classified as held for sale	23	3,165,543	–	–	–
		79,343,257	70,991,615	10,606,542	9,107,098
Total assets		284,237,093	285,789,631	183,720,178	183,679,566

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

BALANCE SHEETS

As at 31 December 2021

	Note	Group		Company	
		2021	2020	2021	2020
		$	$	$	$
Current liabilities					
Bank overdraft	22,24	377,337	228,853	–	–
Trade payables	25	362,292	475,372	–	–
Other payables	26	3,486,105	3,862,150	379,878	376,119
Derivatives		–	46,420	–	–
Accrued operating expenses		2,428,682	2,195,928	193,274	244,295
Amounts due to associates	17	1,995,669	1,979,866	365,467	358,799
Bank loans (secured)	27	52,598,679	72,805,041	–	–
Income tax payable		1,889,077	2,353,861	–	2,050
		63,137,841	83,947,491	938,619	981,263
Net current assets/(liabilities)		16,205,416	(12,955,876)	9,667,923	8,125,835
Non-current liabilities					
Other payables	26	6,355,983	5,466,388	–	–
Bank loans (secured)	27	23,355,462	4,397,710	–	–
Deferred tax liabilities	28	5,210,843	4,914,354	–	–
		34,922,288	14,778,452	–	–
Total liabilities		98,060,129	98,725,943	938,619	981,263
Net assets		186,176,964	187,063,688	182,781,559	182,698,303

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to owners of the Company								
2021 Group	**Share capital**	**Treasury shares**	**Revenue reserve**	**Capital reserve**	**Fair value reserve**	**Currency translation reserve**	**Equity attributable to the owners of the Company, total**	**Non-controlling interests**	**Total equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
At 1 January	172,153,626	(260,086)	39,955,575	506,498	(3,140,741)	(22,136,352)	187,078,520	(14,832)	187,063,688
Profit for the year	–	–	5,716,653	–	–	–	5,716,653	70,056	5,786,709
Other comprehensive income									
- Net change on equity instruments at fair value through other comprehensive income	–	–	–	–	(367,873)	–	(367,873)	–	(367,873)
- Foreign currency translation	–	–	–	–	–	352,934	352,934	(1,381)	351,553
- Reclassification adjustments for gains included in profit or loss relating to disposal of investment properties	–	–	–	(130,502)	–	–	(130,502)	–	(130,502)
Other comprehensive income for the year, net of tax	–	–	–	(130,502)	(367,873)	352,934	(145,441)	(1,381)	(146,822)
Total comprehensive income for the year	–	–	5,716,653	(130,502)	(367,873)	352,934	5,571,212	68,675	5,639,887

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to owners of the Company								
2021 Group	**Share capital** $	**Treasury shares** $	**Revenue reserve** $	**Capital reserve** $	**Fair value reserve** $	**Currency translation reserve** $	**Equity attributable to the owners of the Company, total** $	**Non-controlling interests** $	**Total equity** $
Distributions to owners									
Dividends on ordinary shares (Note 29)	–	–	(6,526,611)	–	–	–	(6,526,611)	–	(6,526,611)
Total distributions to owners	–	–	(6,526,611)	–	–	–	(6,526,611)	–	(6,526,611)
Transfer of fair value reserves of investment securities at FVOCI upon disposal	–	–	1,050,386	–	(1,050,386)	–	–	–	–
At 31 December	172,153,626	(260,086)	40,196,003	375,996	(4,559,000)	(21,783,418)	186,123,121	53,843	186,176,964

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to owners of the Company								
2020 Group	**Share capital**	**Treasury shares**	**Revenue reserve**	**Capital reserve**	**Fair value reserve**	**Currency translation reserve**	**Equity attributable to the owners of the Company, total**	**Non-controlling interests**	**Total equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
At 1 January	172,153,626	(260,086)	42,327,591	758,970	(1,677,765)	(22,822,430)	190,479,906	(21,254)	190,458,652
Profit for the year	–	–	4,154,595	–	–	–	4,154,595	6,650	4,161,245
Other comprehensive income									
- Net change on equity instruments at fair value through other comprehensive income	–	–	–	–	(1,462,976)	–	(1,462,976)	–	(1,462,976)
- Foreign currency translation	–	–	–	–	–	686,078	686,078	(228)	685,850
- Reclassification adjustments for gains included in profit or loss relating to disposal of investment properties	–	–	–	(252,472)	–	–	(252,472)	–	(252,472)
Other comprehensive income for the year, net of tax	–	–	–	(252,472)	(1,462,976)	686,078	(1,029,370)	(228)	(1,029,598)
Total comprehensive income for the year	–	–	4,154,595	(252,472)	(1,462,976)	686,078	3,125,225	6,422	3,131,647

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to owners of the Company								
2020 Group	**Share capital**	**Treasury shares**	**Revenue reserve**	**Capital reserve**	**Fair value reserve**	**Currency translation reserve**	**Equity attributable to the owners of the Company, total**	**Non-controlling interests**	**Total equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Distributions to owners									
Dividends on ordinary shares (Note 29)	–	–	(6,526,611)	–	–	–	(6,526,611)	–	(6,526,611)
Total distributions to owners	–	–	(6,526,611)	–	–	–	(6,526,611)	–	(6,526,611)
At 31 December	172,153,626	(260,086)	39,955,575	506,498	(3,140,741)	(22,136,352)	187,078,520	(14,832)	187,063,688

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

Company **2021**	**Share capital** **$**	**Treasury shares** **$**	**Revenue reserve** **$**	**Total equity** **$**
At 1 January 2021	172,153,626	(260,086)	10,804,763	182,698,303
Profit for the year, representing total comprehensive income for the year	–	–	6,609,867	6,609,867
Distributions to owners				
Dividends on ordinary shares (Note 29)	–	–	(6,526,611)	(6,526,611)
Total distributions to owners	–	–	(6,526,611)	(6,526,611)
At 31 December 2021	172,153,626	(260,086)	10,888,019	182,781,559
2020				
At 1 January 2020	172,153,626	(260,086)	9,477,616	181,371,156
Profit for the year, representing total comprehensive income for the year	–	–	7,853,758	7,853,758
Distributions to owners				
Dividends on ordinary shares (Note 29)	–	–	(6,526,611)	(6,526,611)
Total distributions to owners	–	–	(6,526,611)	(6,526,611)
At 31 December 2020	172,153,626	(260,086)	10,804,763	182,698,303

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2021

	Note	Group	
		2021 $	2020 $
Cash flows from operating activities			
Profit before tax		5,438,478	5,068,728
Adjustments for:			
Depreciation of property, plant and equipment	7	288,539	323,023
Dividend income from investment securities	4	(887,815)	(861,982)
Depreciation of investment properties	5	2,379,513	2,342,455
Changes in fair value of investment securities		136,861	(5,225,328)
Gain on disposal of joint venture	6	(763,381)	–
Gain on disposal of investment properties	6	(4,133,217)	(5,874,940)
Fair value (gain)/loss on derivative financial instruments	6,8	(47,840)	14,998
Impairment loss on trade receivables	8	959,477	–
Impairment loss on other receivables and assets	8	–	2,024,984
Impairment loss on investment properties	8	–	3,068,682
Interest expenses	9	1,597,731	1,918,636
Interest income	4,6	(198,162)	(529,218)
Share of results of associates and joint ventures		(2,757,484)	(505,384)
Others		(126,177)	(14,768)
Operating cash flows before changes in working capital		1,886,523	1,749,886
(Increase)/decrease in receivables and current investment securities		(7,891,640)	6,470,034
(Decrease)/increase in payables		(405,471)	730,311
Cash flows (used in)/from operations		(6,410,588)	8,950,231
Dividend income from investment securities	4	887,815	861,982
Interest received		58,686	403,805
Interest paid		(1,553,323)	(1,829,898)
Income tax paid		(131,865)	(93,299)
Net cash flows (used in)/from operating activities		(7,149,275)	8,292,821

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2021

	Note	Group 2021 $	2020 $
Cash flows from investing activities			
Additions to investment properties		(1,631,363)	(1,262,292)
Increase in amounts due from associates		(313,927)	(480,352)
Dividends and distribution received from an associate		4,000,000	4,000,000
Decrease/(increase) in amounts due from joint ventures, net		11,351,139	(2,886,188)
Decrease in investment securities, net		3,914,613	623,518
Increase in investment in associates		(11,663,142)	(1,192,974)
Increase in investment in joint ventures		(524,249)	(1,029,019)
Proceeds from disposal of investment properties		5,802,537	9,024,292
Proceeds from disposal of joint venture		1,529,412	–
Purchase of property, plant and equipment	14	(64,827)	(156,418)
Net cash flows from investing activities		12,400,193	6,640,567
Cash flows from financing activities			
Dividends paid on ordinary shares	29	(6,526,611)	(6,526,611)
Proceeds from bank loans	27	6,608,617	4,058,612
Repayments of bank loans	27	(8,847,089)	(7,102,196)
(Increase)/decrease in pledged cash and bank balances		(266,974)	4,000,000
Increase/(decrease) in loan from non-controlling interest	27	905,878	(223,539)
Net cash flows used in financing activities		(8,126,179)	(5,793,734)
Net (decrease)/increase in cash and cash equivalents		(2,875,261)	9,139,654
Cash and cash equivalents at the beginning of the year		27,719,623	18,538,759
Effects of exchange rate changes on cash and cash equivalents		6,873	41,210
Cash and cash equivalents at the end of the year		24,851,235	27,719,623

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

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2021

For purposes of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

		Group	
		2021	2020
		$	$
Cash and bank balances in the balance sheet	22	42,229,617	44,678,777
Less: fixed deposits, pledged	22	(15,557,420)	(15,286,676)
Less: bank overdraft	24	(377,337)	(228,853)
Less: restricted cash		(1,443,625)	(1,443,625)
Cash and cash equivalents in the statement of cash flows		24,851,235	27,719,623

The restricted cash relates to cash held on behalf of an associate.

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

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company is located at 38 South Bridge Road, Singapore 058672.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries, associates and joint ventures are disclosed below. The Group operates in Singapore and United Kingdom.

The subsidiaries, associates and joint ventures as at 31 December 2021 and 2020 are:

Name of company	Percentage of interest held		Place of incorporation	Cost of investment		Principal activities
	2021 %	2020 %		2021 $	2020 $	
(a) *Subsidiaries*						
Held by the Company						
Singapore Warehouse Company (Private) Ltd.[(1)]	100.0	100.0	Singapore	154,425,000	154,425,000	Owner of warehouse for rental and storage and investment holding.
Hwa Hong Edible Oil Industries Pte. Ltd.[(1)]	100.0	100.0	Singapore	27,740,002	27,740,002	Investment holding.
Paco Industries Pte. Ltd.[(1)]	100.0	100.0	Singapore	5,970,001	5,970,001	Provision of management services.
				188,135,003	188,135,003	

1. CORPORATE INFORMATION (CONT'D)

Name of company	Percentage of interest held 2021 %	Percentage of interest held 2020 %	Place of incorporation	Principal activities
(a) *Subsidiaries (cont'd)*				
Held by Singapore Warehouse Company (Private) Ltd.				
Thackeray Properties Limited[2]	100.0	100.0	Hong Kong	Owner of investment properties for rental and development.
Pumbledon Limited[2]	100.0	100.0	Hong Kong	Owner of investment properties for rental and development.
Global Trade Investment Management Pte Ltd[1]	100.0	100.0	Singapore	Leasing of residential and commercial properties, business management, consultancy and investment holding.
Vantagepro Investment Limited[7]	100.0	100.0	British Virgin Islands	Investment holding.
Held by Global Trade Investment Management Pte Ltd				
253 JB Pte Ltd[1]	100.0	100.0	Singapore	Owner of investment properties for rental and development (properties under development)
Held by Hwa Hong Edible Oil Industries Pte. Ltd.				
Jining Ningfeng Chemical Industry Co., Limited[8]	100.0	100.0	People's Republic of China	Dormant.
Held by Paco Industries Pte. Ltd.				
Jining Paco Chemical Industry Co., Ltd[8]	100.0	100.0	People's Republic of China	Dormant.

1. CORPORATE INFORMATION (CONT'D)

Name of company	Percentage of interest held 2021 %	Percentage of interest held 2020 %	Place of incorporation	Principal activities
(a) *Subsidiaries (cont'd)*				
Held by Vantagepro Investment Limited				
Capital Fitzalan Limited[4][9][11]	50.0	50.0	United Kingdom	Acting as nominee company for investment holding.
Capital Eagle Limited[4][9]	100.0	100.0	United Kingdom	Acting as nominee company for investment holding.
Garrett Property Holdings Ltd[4]	71.39	71.39	United Kingdom	Investment holding.
(b) *Associates*				
Held by the Company				
Singamet Trading Pte. Ltd[1]	20.0	20.0	Singapore	Property investment.
Held by Singapore Warehouse Company (Private) Ltd.				
Clan Kilmuir (Jersey) Limited[6]	50.0[10]	50.0[10]	Jersey	Property investment.
Riverwalk Promenade Pte Ltd[3]	50.0	50.0	Singapore	Property development.
Hong Property Investments Pte Ltd[3]	30.0	30.0	Singapore	Property investment.
Scotts Spazio Pte. Ltd.[1]	50.0	50.0	Singapore	Property investment.
Shorea Capital Pte. Ltd.[1]	50.0	50.0	Singapore	Real estate investment advisory services.
Shorea Capital London Office Fund LP[1][12] ("SCLOF")	37.86	–	Singapore	Private equity real estate fund.

1. CORPORATE INFORMATION (CONT'D)

Name of company	Percentage of interest held 2021 %	Percentage of interest held 2020 %	Place of incorporation	Principal activities
(c) *Joint ventures*				
Held by Singapore Warehouse Company (Private) Ltd.				
Neo Pav E Investments LLP[5]	50.0	50.0	United Kingdom	Owner of investment properties for rental and development.
Neo Bankside Retail LLP[5]	50.0	50.0	United Kingdom	Owner of investment properties for rental and development.
Held by Vantagepro Investment Limited				
Loman Holdings Limited[4][13]	–	50.0	United Kingdom	Investment holding.

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by member firms of EY Global in their respective countries
(3) Audited by KPMG LLP, Singapore
(4) Audited by BDO Stoy Hayward LLP, London
(5) Audited by Grant Thornton UK LLP
(6) Audited by Deloitte LLP, UK
(7) Not required to be audited in the country of incorporation/registration. The beneficial interests held in the UK by the Capital Group were audited by BDO Stoy Hayward LLP, London.
(8) Not required to be audited as the company is dormant
(9) Collectively known as Capital Group. The Capital Group are nominee companies which hold the Group's United Kingdom properties in trust for a subsidiary, under a joint arrangement with an external party in respect of the United Kingdom properties for which the assets, liabilities and results are accounted proportionately.
(10) The Group has 50% equity interest in the company which confers 49.9% voting rights.
(11) Notwithstanding that the Group holds 50% of the equity interest in Capital Fitzalan, the Group has assessed that it has control over the nominee company on the basis that the remaining voting rights in the company are widely dispersed and that there is no indication that other shareholders exercise their votes collectively.
(12) Incorporated during the financial year
(13) During the financial year, the Group disposed of its interest in Loman Holdings Limited to a related company of SCLOF (Note 18).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group, and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

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

The financial statements are presented in Singapore Dollars (SGD or $), unless otherwise stated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

Standards issued but not yet effective

The Group has not adopted the following applicable standards which have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 16 on COVID-19 related rent concessions beyond 30 June 2021	1 April 2021
Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16: *Property, Plant and Equipment*— Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37: Onerous Contracts— Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
SFRS(I) 17 *Insurance Contracts*	1 January 2023
Amendments to SFRS(I) 17	1 January 2023
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 17: Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

2.2 Changes in accounting policies (cont'd)

The management expects that the adoption of the above standards will have no material impact on the financial statements in the year of initial application.

2.3 Basis of consolidation and business combinations

(a) ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or revenue reserve, as appropriate.

(b) ***Business combinations and goodwill***

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

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

2.3 Basis of consolidation and business combinations (cont'd)

(b) ***Business combinations and goodwill (cont'd)***

The Group elects for each individual business combination, whether non-controlling interests in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, are recognised on the acquisition date at fair value, or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2.4 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

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

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

2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) ***Transactions and balances***

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

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) ***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.18. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

Freehold office property	–	50 years
Leasehold land and buildings	–	43 to 50 years
Furniture, motor vehicles, computers and other equipment	–	3 to 15 years

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

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

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

2.7 Investment properties

Investment properties are properties that are owned by the Group to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

2.7 Investment properties (cont'd)

Investment properties are subject to renovations or improvements at regular intervals. Its cost is recognised in the carrying amount of the investment property as a replacement if the recognition criteria are satisfied. Components that are replaced are derecognised and included in profit or loss. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line method over the investment properties' estimated useful lives of 50 years. Freehold land has an unlimited useful life and therefore the freehold land component of investment properties is not depreciated. Investment properties that are being constructed or developed for future use as investment properties are not depreciated as these assets are not yet available for use.

The carrying values of investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recovered. The residual value, useful life and depreciation method are reviewed, and adjusted prospectively, if appropriate.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Gain on disposal of investment properties is recognised when the title deed of the property is transferred to the buyer.

2.8 Impairment of non-financial assets

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

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

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount.

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

2.8 Impairment of non-financial assets (cont'd)

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

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

2.10 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

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

2.10 Joint arrangements (cont'd)

(a) Joint operations

The Group recognises in relation to its interest in a joint operation:

(i) its assets, including its share of any assets held jointly;

(ii) its liabilities, including its share of any liabilities incurred jointly;

(iii) its revenue from the sale of its share of the output arising from the joint operation;

(iv) its share of the revenue from the sale of the output by the joint operation; and

(v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

(b) Joint ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.11.

2.11 Joint ventures and associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

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

2.11 Joint ventures and associates (cont'd)

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Notwithstanding the above, as the Group is not itself an investment entity and where it has an interest in an associate or joint venture that is an investment entity, the Group may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

2.12 Financial instruments

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

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

2.12 Financial instruments (cont'd)

(a) ***Financial assets***

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The two measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

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

Regular way purchase or sale of a financial asset

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

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

2.12 Financial instruments (cont'd)

(b) ***Financial liabilities***

Initial recognition and measurement

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

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

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.13 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

2.13 Impairment of financial assets (cont'd)

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, fixed deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, these also include cash held on behalf of an associate and bank overdrafts that form an integral part of the Group's cash management.

2.15 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. A component of the Group is classified as a 'discontinued operation' when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

In profit or loss of the current reporting period, and of the comparative period of the previous year, all income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in profit or loss.

Property, plant and equipment and investment properties once classified as held for sale are not depreciated or amortised.

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

2.16 Provisions

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

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

2.17 Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 Employee benefits

(a) ***Defined contribution plans***

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) ***Employee leave entitlement***

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

2.20 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of thearrangement at inception date: that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

2.20 Leases (cont'd)

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.22(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.21 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.13 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.22 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The following specific recognition criteria must also be met before revenue is recognised:

(a) ***Interest income***

Interest income is recognised using the effective interest method.

(b) ***Dividend income***

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

(c) ***Rental income***

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

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

2.23 Net gain or loss on financial assets at fair value through profit or loss

Net gains or losses on financial assets at FVPL are changes in the fair value of financial assets held for trading or designated upon initial recognition as at FVPL during the financial year or up to the trade date when they are derecognised.

2.24 Taxes

(a) ***Current income tax***

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

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

(b) ***Deferred tax***

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

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

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

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

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

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

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

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

2.24 Taxes (cont'd)

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

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

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

(c) ***Sales tax***

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

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

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

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

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

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 Share capital and share issuance expenses

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

2.27 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost (including directly attributable expenses) and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.28 Contingencies

A contingent liability is:

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

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

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

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

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

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

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

2.29 Related parties

A related party is defined as follows:

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

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

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

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.30 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to income, it is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income".

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

3.1 Judgements made in applying accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of investment properties

The Group carries its investment properties at cost less accumulated depreciation and any accumulated impairment losses, with excess of carrying value over fair values being recognised as impairment in profit or loss. The Group has a policy to obtain external, independent valuations for its properties once every three years. Management's valuations are carried out annually.

In determining the recoverable value, the Group uses the fair value of the investment properties, which approximates the value in use, in assessing whether the properties may have been impaired. The valuations applied in the determination of the fair value of investment properties are disclosed and further explained in Note 15. Impairment loss on investment properties in the previous financial year was disclosed in Note 8. No impairment loss on investment properties was recorded in the current financial year. The carrying amount of investment properties as at 31 December 2021 was $142,556,391 (2020: $146,934,514).

As at 31 December 2021, the fair value of the investment properties at the end of the reporting period are disclosed in Note 35 to the financial statements.

4. REVENUE

	Group	
	2021 $	2020 $
Dividend income from investment securities	887,815	861,982
Rental income from investment properties	9,040,585	8,957,296
Interest income from:		
- Associates	139,476	125,413
- Deposits with financial institutions	55,815	365,961
	195,291	491,374
	10,123,691	10,310,652

5. COST OF SALES

Included in cost of sales are:

	Group	
	2021 $	2020 $
Direct operating expenses arising from rental generating properties	(2,023,467)	(1,935,802)
Depreciation of investment properties	(2,379,513)	(2,342,455)

6. OTHER INCOME

	Group	
	2021 $	2020 $
Interest income from:		
- Deposits with financial institutions	2,871	37,844
Gain on disposal of investment properties	4,133,217	5,874,940
Other investment income	60,012	78,222
Rental income from an associated company	29,754	22,668
Management fee from an associated company	3,000	3,000
Reimbursement of expenses from an associated company	8,667	8,174
Government grants	92,760	708,097
Net dilapidation income	285,705	–
Fair value gain on derivative financial instruments	47,840	–
Gain on disposal of a joint venture	763,381	–
Sundry income	173,979	245,019
	5,601,186	6,977,964

6. OTHER INCOME (CONT'D)

Other investment income

Other investment income relates to income received from redevelopment of a former post office (the "Site") by lessee of the Site (Note 31(c)).

Government grants

Government grants included an amount of $88,091 (2020: $231,964) relating to Jobs Support Scheme and $2,500 (2020: $Nil) relating to Jobs Growth Incentive. In the previous financial year, an amount of $476,133 relating to grants was received under the Rental Relief Framework.

Net dilapidation income

Net dilapidation income relates to compensation received from a tenant to make good its repairing obligations at the end of its tenancy.

7. GENERAL AND ADMINISTRATIVE COSTS

General and administrative costs include the following:

	Group	
	2021 $	2020 $
Directors' fees		
- Directors of the Company	(342,333)	(317,588)
Directors' remuneration		
- Directors of the Company	(858,347)	(864,909)
- Other directors of subsidiaries	(1,019,189)	(807,917)
- CPF contributions	(49,958)	(53,281)
	(1,927,494)	(1,726,107)
Audit fees paid to:		
- Auditor of the Company	(196,200)	(191,000)
- Other auditors	(62,520)	(61,622)
	(258,720)	(252,622)
Non-audit fees paid to auditors of the Company	(22,326)	(36,158)
Consultancy fees paid to a Director	(24,000)	(24,000)
Depreciation of property, plant and equipment	(288,539)	(323,023)
Grant expense	(16,307)	(534,582)
Staff costs (including executive directors)	(3,349,824)	(3,323,926)
CPF contribution (including executive directors)	(162,556)	(171,471)

7. GENERAL AND ADMINISTRATIVE COSTS (CONT'D)

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The executive directors are considered key management personnel of the Group.

Grant expense relates to grants provided to tenants under the Rental Relief Framework.

8. OTHER OPERATING COSTS

	Group	
	2021 $	2020 $
Fair value loss on derivative financial instruments	–	(14,998)
Impairment loss in other receivables and assets (Note 20)	–	(2,024,984)
Impairment loss in trade receivables (Note 21)	(959,477)	–
Impairment loss in investment properties (Note 15)	–	(3,068,682)
	(959,477)	(5,108,664)

9. FINANCE COSTS

	Group	
	2021 $	2020 $
Interest expense on bank loans and overdrafts	(1,729,345)	(2,095,809)
Less: Interest expense capitalised in investment properties (Note 15)	131,614	177,173
Total finance costs	(1,597,731)	(1,918,636)

10. INCOME TAX CREDIT/(EXPENSE)

Major components of income tax credit/(expense)

Major components of income tax credit/(expense) for the years ended 31 December 2021 and 2020 are:

	Group	
	2021 $	2020 $
Consolidated income statement:		
Current income tax		
- Current income taxation	(409,534)	(1,094,531)
- Over provision (net) in respect of previous years	1,043,437	15,933
	633,903	(1,078,598)
Deferred income tax		
- Origination and reversal of temporary differences	(285,672)	171,115
Income tax credit/(expense) recognised in profit or loss	348,231	(907,483)

10. INCOME TAX CREDIT/(EXPENSE) (CONT'D)

Relationship between income tax credit/(expense) and accounting profit

A reconciliation of the applicable statutory tax rate to the Group's effective tax rate for the years ended 31 December 2021 and 2020 is as follows:

	Group	
	2021 $	2020 $
Accounting profit before tax	5,438,478	5,068,728
Domestic statutory tax rate	17.0	17.0
Adjustments:		
Non-deductible expenses	14.4	17.6
Income not subject to taxation	(9.8)	(3.1)
Over provision in respect of previous years	(19.2)	(0.3)
Deferred tax assets not recognised	0.2	–
Benefits from previously unrecognised tax losses	(0.5)	(16.6)
Effect of tax due to different jurisdiction	0.1	0.3
Effect of partial tax exemption and tax relief	(0.8)	(0.6)
Share of results of associates and joint ventures	(8.6)	(1.7)
Others	0.8	5.3
Effective tax rate	(6.4)	17.9

11. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year, attributable to owners of the Company by the weighted average number of ordinary shares (excluding treasury shares) outstanding during the year. There are no dilutive potential ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2021 $	2020 $
Profit for the year attributable to owners of the Company	5,716,653	4,154,595
Weighted average number of ordinary shares for basic and diluted earnings per share computation	652,661,100	652,661,100

The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.

12. SHARE CAPITAL AND TREASURY SHARES

(a) ***Share capital***

	Group and Company 2021 and 2020	
	No. of shares	$
Issued and fully paid ordinary shares		
Balance at the beginning and end of the year	653,504,000	172,153,626

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

(b) ***Treasury shares***

	Group and Company			
	2021		2020	
	No. of shares	$	No. of shares	$
At 1 January and at 31 December	(842,900)	(260,086)	(842,900)	(260,086)

Treasury shares relate to ordinary shares of the Company that is being held by the Company.

Share repurchase

At the Extraordinary General Meeting held on 7 November 2003, shareholders approved the grant of a general mandate to enable the Company to purchase or otherwise acquire its issued ordinary shares (the "Share Purchase Mandate"). The terms of the Share Purchase Mandate were set out in the Company's Circular to Shareholders dated 15 October 2003. The Share Purchase Mandate was renewed on 5 April 2021.

13. RESERVES

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Revenue reserve	40,196,003	39,955,575	10,888,019	10,804,763
Capital reserve	375,996	506,498	–	–
Fair value reserve	(4,559,000)	(3,140,741)	–	–
Currency translation reserve	(21,783,418)	(22,136,352)	–	–
	14,229,581	15,184,980	10,888,019	10,804,763

13. RESERVES (CONT'D)

Capital reserve represents unrealised gain pertaining to certain properties purchased from an associate.

Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets at FVOCI until they are disposed of or impaired.

Currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold office property $	Leasehold land and buildings $	Furniture, motor vehicles, computers and other equipment $	Total $
Cost				
At 1 January 2020	2,299,292	5,260,456	1,922,253	9,482,001
Additions	–	128,060	28,358	156,418
Disposals	–	–	(26,240)	(26,240)
Currency realignment	–	–	853	853
At 31 December 2020 and 1 January 2021	2,299,292	5,388,516	1,925,224	9,613,032
Additions	–	18,938	45,889	64,827
Disposals	–	–	(6,138)	(6,138)
Currency realignment	–	–	837	837
At 31 December 2021	2,299,292	5,407,454	1,965,812	9,672,558

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

Group	Freehold office property $	Leasehold land and buildings $	Furniture, motor vehicles, computers and other equipment $	Total $
Accumulated depreciation and impairment loss				
At 1 January 2020	873,732	2,847,494	1,496,329	5,217,555
Depreciation for the year	45,986	124,486	152,551	323,023
Disposals	–	–	(26,240)	(26,240)
Currency realignment	–	–	243	243
At 31 December 2020 and 1 January 2021	919,718	2,971,980	1,622,883	5,514,581
Depreciation for the year	45,986	124,486	118,067	288,539
Disposals	–	–	(6,138)	(6,138)
Currency realignment	–	–	93	93
At 31 December 2021	965,704	3,096,466	1,734,905	5,797,075
Net carrying amount				
At 31 December 2020	1,379,574	2,416,536	302,341	4,098,451
At 31 December 2021	1,333,588	2,310,988	230,907	3,875,483

The Group's leasehold land and buildings with a carrying value of $2,310,988 (2020: $2,416,536) is mortgaged to secure its banking facilities including bank overdraft (Note 24).

15. INVESTMENT PROPERTIES

Group	Freehold land $	Buildings $	Construction in-progress $	Total $
Cost				
At 1 January 2020	77,794,477	95,592,768	735,987	174,123,232
Additions (subsequent expenditure)	–	140,285	1,264,620	1,404,905
Disposal	(2,215,540)	(1,580,787)	–	(3,796,327)
Currency realignment	616,585	809,878	–	1,426,463
At 31 December 2020 and 1 January 2021	76,195,522	94,962,144	2,000,607	173,158,273
Additions (subsequent expenditure)	–	971,049	710,617	1,681,666
Disposal	(1,113,736)	(1,003,528)	–	(2,117,264)
Currency realignment	606,990	784,065	–	1,391,055
Investment property classified as held for sale	(752,737)	(5,138,181)	–	(5,890,918)
At 31 December 2021	74,936,039	90,575,549	2,711,224	168,222,812
Accumulated depreciation and impairment loss				
At 1 January 2020	–	21,096,809	–	21,096,809
Depreciation for the year	–	2,342,455	–	2,342,455
Impairment	–	3,068,682	–	3,068,682
Disposal	–	(394,503)	–	(394,503)
Currency realignment	–	110,316	–	110,316
At 31 December 2020 and 1 January 2021	–	26,223,759	–	26,223,759
Depreciation for the year	–	2,379,513	–	2,379,513
Disposal	–	(317,442)	–	(317,442)
Currency realignment	–	105,966	–	105,966
Investment property classified as held for sale	–	(2,725,375)	–	(2,725,375)
At 31 December 2021	–	25,666,421	–	25,666,421
Net carrying amount				
At 31 December 2020	76,195,522	68,738,385	2,000,607	146,934,514
At 31 December 2021	74,936,039	64,909,128	2,711,224	142,556,391

15. INVESTMENT PROPERTIES (CONT'D)

	Group	
	2021 $	2020 $
Rental income from investment properties	9,040,585	8,957,296
Direct operating expenses (including depreciation, repairs and maintenance) arising from rental generating properties	4,402,980	4,278,257

The investment properties held by the Group, which are all rental generating, are disclosed in Note 34. During the year, the Group made additions and alterations to its existing investment properties.

During the financial year, borrowing costs of $131,614 (2020: $177,173), arising from borrowings obtained specifically for the investment properties were capitalised under "Construction-in-progress". The rate used to determine the amount of borrowing costs eligible for capitalisation is 1.8% to 2.1% (2020: 1.8% to 3.5%) per annum which is the effective interest rate of the specific borrowing.

Valuation of the investment properties

Investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses. Valuation of investment properties is performed for disclosure purposes and impairment assessments. The Group has a policy to obtain external, independent valuations for its properties once every three years. Management's valuations are carried out annually.

Fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

For valuations performed by external valuation experts, the Group reviews the appropriateness of the valuation methodologies and assumptions adopted. The Group also evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

The Chief Financial Officer ("CFO") documents and reports its analysis and results of the valuation to the Audit and Risk Committee on a half yearly basis, in line with the Group's half yearly reporting dates.

During the year, valuations were performed by Savills Valuation and Professional Services (S) Pte Ltd and Savills (UK) Limited for three properties in Singapore and two properties in United Kingdom (2020: Savills Valuation and Professional Services (S) Pte Ltd, Savills (UK) Limited and Gerald Eve LLP). These independent valuers have recognised and relevant professional qualification with relevant experience in the location and category of the properties being valued.

15. INVESTMENT PROPERTIES (CONT'D)

Valuation of the investment properties (cont'd)

Valuation for the remaining properties was performed by the management as at year end, taking into consideration the advice of external valuation experts using recent transaction prices, investment method and residual method. In view of the decline in fair value for an investment property in the previous financial year, an impairment of $3,068,682 (Note 8) was provided.

The valuation methods applied are further discussed in Note 35.

Properties pledged as security

Investment properties in Singapore amounting to $3,403,957 (2020: $4,958,741) are mortgaged and their rental income assigned to a bank to secure bank loans and banking facilities.

Another investment property in Singapore amounting to $28,682,219 (2020: $29,586,934) is mortgaged and its rental income is assigned to a bank to secure bank loans.

A third investment property in Singapore amounting to $16,511,218 (2020: $15,800,601) is mortgaged to a bank to secure bank loans.

An investment property in United Kingdom amounting to $35,323,981 (2020: $34,646,816) is mortgaged to secure bank loans.

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2020
	$	$
Shares, at cost	188,135,003	188,135,003
Impairment losses		
Balance at 1 January	(14,308,335)	(19,110,150)
(Provision)/written back	(1,458,832)	4,801,815
Balance at 31 December	(15,767,167)	(14,308,335)
	172,367,836	173,826,668
Amounts due from subsidiaries	10,247,000	5,069,000

Amounts due from subsidiaries are non-trade related, unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

At the end of the reporting period, the Company has recognised impairment losses of $1,458,832 (2020: written back impairment of $4,801,815) for the investment in Hwa Hong Edible Oil Industries Pte Ltd ("HHEO") as there was a decrease (2020: increase) in the recoverable amount of this subsidiary. The recoverable amount has been determined based on fair value less costs to sell of the underlying assets of the subsidiary, which largely comprises quoted equity securities. In the current year, there was a decrease (2020: increase) in the quoted prices of its equity securities which has led to the provision of impairment loss.

17. INVESTMENT IN ASSOCIATES

The Group's and the Company's material investments in associates are summarised below:

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Scotts Spazio Pte. Ltd.	1,027,244	3,326,552	–	–
Hong Property Investments Pte Ltd	8,482,985	8,300,594	–	–
Clan Kilmuir (Jersey) Limited	7,723,841	7,836,779	–	–
Shorea Capital London Office Fund LP	12,018,574	–	–	–
Other associates	796,951	807,128	800,000	800,000
	30,049,595	20,271,053	800,000	800,000
Less: Impairment losses	–	–	(54,200)	(54,200)
	30,049,595	20,271,053	745,800	745,800

Aggregate information about the Group's investment in associates that are not individually material is as follows:

	Group	
	2021 $	2020 $
Loss after tax, representing total comprehensive income	(10,186)	(112,773)

The Group has not recognised losses relating to Shorea Capital Pte. Ltd. where its share of losses exceeds the Group's interest in this associate. The Group's share of unrecognised losses at the end of the reporting period was $1,602,884 (2020: $792,987), of which $809,897 (2020: $792,987) was the share of the current year's losses. The Group has no obligation in respect of these losses.

On 6 April 2021, the Group entered into a subscription agreement and committed to invest GBP15 million in Shorea Capital London Office Fund LP ("SCLOF"), a limited partnership established under the laws of Singapore. The general partner of SCLOF is Shorea Capital London Office Fund GP Pte. Ltd. ("SCLOF GP"), a private company with limited liability incorporated under the laws of Singapore. SCLOF GP is a wholly-owned subsidiary of Shorea Capital Pte Ltd, a company in which the Group has a 50% interest in. As such, SCLOF has been accounted for as an associate of the Group. As SCLOF is an investment entity, the Group elected to retain the fair value measurement used by the associate in accounting for its investment in the associated company's results.

17. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information in respect of Scotts Spazio Pte. Ltd., Hong Property Investments Pte. Ltd., Clan Kilmuir (Jersey) Limited and SCLOF, based on their SFRS/IFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements is as follows:

Summarised balance sheet

	Scotts Spazio Pte. Ltd.		Hong Property Investments Pte Ltd		Clan Kilmuir (Jersey) Limited		Shorea Capital London Office Fund LP	
	2021	2020	2021	2020	2021	2020	2021	2020
	$	$	$	$	$	$	$	$
Completed properties for sale	–	–	42,096,000	42,096,000	–	–	–	–
Other current assets	2,594,821	3,557,858	1,292,612	542,200	31,238	65,118	486,743	–
Investment property	4,204,622	8,863,482	–	–	–	–	–	–
Investment in subsidiaries	–	–	–	–	–	–	31,483,117	–
Investment in an associated company	–	–	–	–	29,374,330	29,750,806	–	–
Other non-current assets	2,759	208,023	950	5,044	–	–	–	–
Total assets	6,802,202	12,629,363	43,389,562	42,643,244	29,405,568	29,815,924	31,969,860	–
Current liabilities	1,825,529	3,062,889	607,747	756,386	19,473	12,184	225,080	–
Shareholder loans	–	–	14,505,197	14,218,211	–	–	–	–
Other non-current liabilities	2,922,186	2,913,371	–	–	–	–	–	–
Total liabilities	4,747,715	5,976,260	15,112,944	14,974,597	19,473	12,184	225,080	–
Net assets	2,054,487	6,653,103	28,276,618	27,668,647	29,386,095	29,803,740	31,744,780	–
Proportion of the Group's ownership	50%	50%	30%	30%	50%	50%	37.86%	-%
Group's share of net assets	1,027,244	3,326,552	8,482,986	8,300,594	14,693,047	14,901,870	12,018,574	–
Other adjustments[1]	–	–	–	–	(6,969,206)	(7,065,091)	–	–
Carrying amount of the investment, representing Group's share of net assets	1,027,244	3,326,552	8,482,986	8,300,594	7,723,841	7,836,779	12,018,574	–

17. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised statement of comprehensive income in respect of Scotts Spazio Pte. Ltd., Hong Property Investments Pte. Ltd., Clan Kilmuir (Jersey) Limited and SCLOF, based on their SFRS/IFRS financial statements, before accounting for the group's share of the results in the associates are as follows:

Summarised statement of comprehensive income

	Scotts Spazio Pte. Ltd.		Hong Property Investments Pte Ltd		Clan Kilmuir (Jersey) Limited		Shorea Capital London Office Fund LP	
	2021	2020	2021	2020	2021	2020	6 April 2021 to 31 December 2021	2020
	$	$	$	$	$	$	$	$
Revenue	12,043,065	12,041,693	–	–	–	–	4,886,611	–
Profit/(loss) after tax, representing total comprehensive income before adjustments	3,401,384	3,466,396	607,971	608,775	(2,441,973)	(815,594)	4,035,863	–
Other adjustments[1]	–	–	–	–	368,393	(1,156,973)	–	–
Profit/(loss) after tax, representing total comprehensive income	3,401,384	3,466,396	607,971	608,775	(2,073,580)	(1,972,567)	4,035,863	–

There was no revenue recognised by Hong Property Investments Pte Ltd in both financial years as there was no sale of property units. Profit from Hong Property Investments Pte Ltd came from other income as there were rental income received from the property units.

(1) Other adjustments mainly relate to adjustments made to the carrying value of the associate's investment property and reversal of deferred taxation in order to align their accounting treatment with the accounting policy of the Group on a 100% basis.

17. INVESTMENT IN ASSOCIATES (CONT'D)

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Amounts due from associates:				
- Loan 1	4,351,559	4,265,463	–	–
- Loan 2	1,875,579	1,508,272	–	–
	6,227,138	5,773,735	–	–
Amount due within one year	6,227,138	5,773,735	–	–
	6,227,138	5,773,735	–	–
Amounts due to associates:				
Amounts due within one year	(1,995,669)	(1,979,866)	(365,467)	(358,799)

Included in amounts due to associates is an amount of $365,467 (2020: $358,799) denominated in United States Dollar.

Loan 1 is due from an associate which is related to Hong Leong Investment Holdings Pte. Ltd., a substantial shareholder of the Company. The amount is unsecured, repayable upon demand, bears interest at 2% (2020: 2%) per annum and is to be settled in cash.

Loan 2 is unsecured, bears interest at 2.8% (2020: 2.8%) per annum. Included in amount due from the associate is an amount of $969,753 (2020: $926,424) denominated in United States Dollar. Subsequent to year end, the loan has been capitalised as cost of investment in the associate.

Amounts due to associates are non-trade related, unsecured, non-interest bearing, repayable on demand and to be settled in cash. Included in amounts due to associates is an amount of $1,443,625 (2020: $1,443,625) being cash held on behalf of an associate.

18. INVESTMENT IN JOINT VENTURES

The Group's investment in joint ventures is summarised below:

	Group	
	2021 $	2020 $
Neo Pav E Investments LLP	2,796,172	2,332,544
Neo Bankside Retail LLP	1,955,493	1,908,248
Loman Holdings Ltd	–	–
	4,751,665	4,240,792

18. INVESTMENT IN JOINT VENTURES (CONT'D)

The Group has a 50% (2020: 50%) interest in the ownership and voting rights in two limited liability partnership joint ventures, Neo Pav E Investments LLP and Neo Bankside Retail LLP that are held through a subsidiary. The Group jointly controls the ventures with the other partner under the contractual agreement which requires unanimous consent for all major decisions over the relevant activities.

In the previous financial year, the Group had a 50% interest in Loman Holdings Ltd and had joint control over the entity under the shareholders' agreement as it had the ability to prevent the other partners from making unilateral decisions without the Group's consent. During the year, the Group disposed of the interest in Loman Holdings Ltd to a related company in SCLOF.

In the previous financial year, the Group had not recognised losses relating to Loman Holdings Ltd where its share of losses exceeds the Group's interest in this joint venture. The Group's share of unrecognised losses at the end of the previous financial year was $594,692 of which $432,668 was the share of the previous financial year's losses. The Group had no obligation in respect of these losses.

Summarised financial information in respect of Loman Holdings Limited, Neo Pav E Investments LLP and Neo Bankside Retail LLP based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

Summarised balance sheet

	Neo Bankside Retail LLP		Neo Pav E Investments LLP		Loman Holdings Limited	
	2021	2020	2021	2020	2021	2020
	$	$	$	$	$	$
Cash and cash equivalents	1,147,026	595,190	272,132	36,946	–	219,391
Prepayments	–	–	–	89,602	–	–
Other current assets	277,829	240,023	489,757	244,220	–	3,248,011
Total current assets	1,424,855	835,213	761,889	370,768	–	3,467,402
Investment property	17,608,264	18,185,998	17,544,436	16,117,321	–	33,441,469
Total assets	19,033,119	19,021,211	18,306,325	16,488,089	–	36,908,871
Current liabilities	503,526	349,508	367,721	518,547	–	759,501
Long-term borrowing	14,618,608	14,505,714	9,089,216	7,218,561	–	14,473,812
Shareholders' loan	–	–	–	–	–	22,028,422
Total non-current liabilities	14,618,608	14,505,714	9,089,216	7,218,561	–	36,502,234
Total liabilities	15,122,134	14,855,222	9,456,937	7,737,108	–	37,261,735

18. INVESTMENT IN JOINT VENTURES (CONT'D)

Summarised balance sheet (cont'd)

	Neo Bankside Retail LLP		Neo Pav E Investments LLP		Loman Holdings Limited	
	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $
Net assets/(liabilities)	3,910,985	4,165,989	8,849,388	8,750,981	–	(352,864)
Proportion of the Group's ownership	50%	50%	50%	50%	–	50%
Group's share of net assets	1,955,493	2,082,995	4,424,694	4,375,491	–	(176,432)
Other adjustments [1]	–	(174,747)	(1,628,522)	(2,042,947)	–	176,432
Carrying amount of the investment	1,955,493	1,908,248	2,796,172	2,332,544	–	–

The summarised statement of comprehensive income in respect of Neo Bankside Retail LLP, Neo Pav E Investments LLP and Loman Holdings Limited based on their IFRS financial statements, before accounting for the group's share of the results in the joint ventures are as follows:

Summarised statement of comprehensive income

	Neo Bankside Retail LLP		Neo Pav E Investments LLP		Loman Holdings Limited	
	2021 $	2020 $	2021 $	2020 $	1 January 2021 to 1 November 2021 $	2020 $
Revenue	772,238	354,351	903,041	638,895	448,085	–
Other income	206	1,494	–	–	106,367	4,285
Operating expenses	(250,502)	(162,972)	(183,801)	(1,430,084)	(1,051,468)	(389,466)
Interest expense	(308,953)	(324,382)	(309,577)	(234,188)	–	–
	212,989	(131,509)	409,663	(1,025,377)	(497,016)	(385,181)
Other adjustments [1]	(470,755)	(211,023)	(295,157)	745,131	497,016	385,181
(Loss)/profit after tax, representing total comprehensive income	(257,766)	(342,532)	114,506	(280,246)	–	–

[1] Other adjustments mainly relate to adjustments made to the carrying values of the joint ventures' investment properties in order to align their accounting treatment with the accounting policies of the Group on a 100% basis.

19. INVESTMENT SECURITIES

	Group	
	2021 $	2020 $
Current		
At fair value through profit or loss		
- Equity securities (quoted)	20,409,054	16,032,744
- Debt instruments (unquoted)	1,977,683	1,294,625
- Debt instruments (quoted)	1,000,000	–
	23,386,737	17,327,369
Non-current		
At fair value through other comprehensive income		
- Equity securities (quoted)	3,092,892	5,596,809
- Equity securities (unquoted)	11,762,830	13,270,033
- Non-equity securities (quoted)	4,105,261	4,306,903
	18,960,983	23,173,745

Included in the quoted non-equity investments, unquoted equity securities, quoted equity securities and unquoted debt instruments are amounts of $10,436,276 (2020: $11,200,707), $7,176,302 (2020: $7,049,848), $4,468,259 (2020: $7,399,300) and $11,282,483 (2020: $467,543) denominated in Sterling Pound, United States Dollar, Korean Won and Hong Kong Dollars, respectively.

The Group's investment in quoted non-equity securities relates to its investment in quoted preference shares.

Investments in equity instruments designated at fair value through other comprehensive income

The fair value of each of the investments in equity instruments designated at fair value through other comprehensive income at the end of the reporting period is as follows:

	Group	
	2021 $	2020 $
MTQ Corporation Ltd	2,960,892	2,546,367
Pan Hong Holdings Group Ltd	132,000	115,200
Singapore Reinsurance Corporation Limited ("Singapore Reinsurance")	–	2,935,242
DCG Asia Value Fund (Cayman) ("DCG Fund")	–	257,607
Value Monetization III Ltd (BVI) ("VML")	1,861,480	1,612,674
Majuven Fund 1 Ltd ("Majuven Fund")	233,196	363,400
Accion Asia Growth Fund (Cayman) ("Accion Fund")	253,818	249,412
Gaw NP Capital Vietnam Fund 1 LP (Cayman) ("Gaw Fund")	3,083,321	3,893,137
GOGC Allen House, LP (Cayman)	6,331,015	6,893,803
	14,855,722	18,866,842

The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

19. INVESTMENT SECURITIES (CONT'D)

During the financial year, the Group disposed all its investment in quoted shares of Singapore Reinsurance of $3,517,315 as part of a voluntary conditional cash offer made to investors. The Group also redeemed its investment in DCG Fund of $298,185. The cumulative gain arising from derecognition of these equity instruments of $1,050,386 was transferred from fair value reserve to revenue reserve.

During the financial year, the Group received returns of capital of $109,113 from Majuven Fund (2020: $608,176 and $15,342 from VML and Accion Fund).

The Group recognised a dividend of $12,000 and $59,218 from Pan Hong Holdings Group Ltd and MTQ Corporation Ltd during the year (2020: $12,000, $114,424 and $118,436 from Pan Hong Holdings Group Ltd, Singapore Reinsurance and MTQ Corporation Ltd respectively).

20. OTHER RECEIVABLES AND ASSETS

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Current				
Sundry receivables	208,214	337,016	–	–
Dividend receivable	117,244	59,534	–	–
Interest receivable	17,480	6,752	–	–
Deposits receivable	655,551	790,190	–	–
Deferred rental receivable	310,829	215,075	–	–
Amounts due from property manager	2,042,330	1,196,826	–	–
	3,351,648	2,605,393	–	–
Non-current				
Amounts receivable from joint venture	–	11,014,211	–	–
Deferred rental receivable	4,699,719	5,065,250	–	–
	4,699,719	16,079,461	–	–
Total other receivables and assets	8,051,367	18,684,854	–	–

Amounts due from property manager of $2,042,330 (2020: $1,196,826), deposits receivable of $654,931 (2020: $781,570) and the non-current amounts receivable from joint venture of $11,014,211 in the previous financial year are denominated in Sterling Pound.

Deposits receivable

The amount pertains to tenants' deposits receivable from agents and is repayable on demand.

Non-current amounts receivable from joint venture

The amount receivable from joint venture of $11,014,211 was non-interest bearing, unsecured, non-trade related. This amount was repaid during the year.

20. OTHER RECEIVABLES AND ASSETS (CONT'D)

Deferred rental receivable

Deferred rental receivable relates to lease income that remains to be amortised over the lease term on a straight-line basis. The amount is mainly contributed by rental income from a Singapore investment property, for which a subsidiary has entered into a 15-year commercial property lease and granted the lessee a 7-month rent free period.

Expected credit losses

The Group's other receivables and assets that are impaired at the end of the reporting period and the movement of the allowance account used to record the impairment are as follows:

	Group	
	2021	2020
	$	$
Other receivables and assets, nominal amounts	166,817	166,817
Allowance for expected credit loss	(166,817)	(166,817)
	–	–

Movement of allowance for expected credit loss

	$	$
At 1 January	166,817	–
Allowance for expected credit loss	–	(2,024,984)
Written off	–	1,858,167
At 31 December	166,817	166,817

In the previous financial year, the Group had written off an amount of expected credit loss of $1,858,167 on the deferred rental receivables of a tenant in London. The tenant had gone into administration during the period due, inter alia, to the current COVID-19 pandemic and the government imposed lockdown in the UK.

21. TRADE RECEIVABLES

	Group	
	2021	2020
	$	$
Trade receivables	1,027,143	457,046
Allowance for expected credit loss	(205,127)	–
	822,016	457,046

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

21. TRADE RECEIVABLES (CONT'D)

Expected credit losses

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance account used to record the impairment are as follows:

	Group	
	2021	2020
	$	$
Trade receivables, nominal amounts	205,127	–
Allowance for expected credit loss	(205,127)	–
	–	–

Movement of allowance for expected credit loss

	$	$
At 1 January	–	–
Allowance for expected credit loss (Note 8)	959,477	–
Written off	(750,819)	–
Exchange differences	(3,531)	–
At 31 December	205,127	–

At the end of the reporting period, the Group determined an amount of $205,127 (2020: $Nil) to be impaired following an assessment to determine collectability of the debt.

22. CASH AND BANK BALANCES

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Fixed deposits	17,677,420	25,406,677	–	3,500,000
Cash at bank and on hand	24,552,197	19,272,100	331,875	497,545
Cash and bank balances in the statement of financial position	42,229,617	44,678,777	331,875	3,997,545
Fixed deposits pledged for banking facilities	(15,557,420)	(15,286,676)		
Bank overdrafts	(377,337)	(228,853)		
Restricted cash (Note 17)	(1,443,625)	(1,443,625)		
Cash and cash equivalents in the statement of cash flows	24,851,235	27,719,623		

22. CASH AND BANK BALANCES (CONT'D)

Fixed deposits are made for varying periods of between one month and six months, depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective fixed deposit rates. The effective interest rates at 31 December 2021 were in the range of 0.04% to 0.23% (2020: 0.05% to 1.97%) per annum.

Cash and bank balances denominated in foreign currencies as at reporting date are as follows:

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Hong Kong Dollars	33,393	3,827	–	–
Sterling Pound	364,363	170,333	–	–
Singapore Dollars	44,267	46,691	–	–
United States Dollars	1,741,530	6,820,200	–	–

23. INVESTMENT PROPERTY CLASSIFIED AS HELD FOR SALE

On 13 December 2021, the Group entered into an agreement with a third party to dispose of its investment property at 58 Queensgate London for a consideration of GBP10,750,000.

The net carrying amount of the property reclassified to investment property held for sale is as follows:

	Group	
	2021 $	2020 $
Investment property (Note 15)	3,165,543	–

The reportable segment in which the investment property classified as held for sale is presented under segment assets – rental.

The sale was completed on 28 January 2022.

24. BANK OVERDRAFT

The bank overdraft is denominated in SGD, bears interest at 5% p.a (2020: 5% p.a). and is secured by the leasehold building and assignment of tenancy agreement in respect of the property (Note 14).

25. TRADE PAYABLES

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

26. OTHER PAYABLES

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
Current				
Tenancy deposits	1,905,775	1,958,379	–	–
Unclaimed dividends	346,076	343,227	346,076	343,227
Deferred income	338,371	667,716	–	–
Deferred grant income	–	25,774	–	–
Construction related costs payable	64,670	61,420	–	–
Rental received in advance	382	3,764	–	–
Retention payable	64,123	40,597	–	–
Sundry payables	766,708	761,273	33,802	32,892
	3,486,105	3,862,150	379,878	376,119
Non-current				
Tenancy deposits	397,396	486,825	–	–
Loan from non-controlling interest	5,894,464	4,938,967	–	–
Retention payable	64,123	40,596	–	–
	6,355,983	5,466,388	–	–

Sundry payables are non-interest bearing and have an average term of 60 days.

Loan from non-controlling interest

Loan from non-controlling interest is denominated in Sterling Pound. The amount is unsecured, non-interest bearing, and not repayable within the next 12 months.

Other payables denominated in foreign currencies as at 31 December are as follows:

	Group	
	2021 $	2020 $
Chinese Renminbi	259,290	246,596

27. BANK LOANS (SECURED)

	Group	
	2021 $	2020 $
Current		
- Short-term Singapore Dollar bank loan	500,000	1,000,000
- Short-term Sterling Pound bank loans	52,098,679	71,805,041
	52,598,679	72,805,041
Non-current		
- Long-term Singapore Dollar bank loan	5,202,612	4,397,710
- Long-term Sterling Pound bank loan	18,152,850	–
	23,355,462	4,397,710
Total bank loans	75,954,141	77,202,751

Short-term Singapore Dollar bank loan comprises of a revolving loan of $500,000 (2020: $1,000,000) which is secured by a legal charge over a subsidiary's investment property, assignment of tenancy agreements in the investment property and a corporate guarantee from another subsidiary. The loan bears interest at bank's cost of funds rate plus 1.4% (2020: 1.4%) per annum.

Short-term Sterling Pound bank loans comprise of:

(a) A revolving loan of $31,767,487 (2020: $28,488,412) was granted to a subsidiary. The loan is secured by a legal charge over the subsidiary's investment property and assignment of tenancy agreement in respect of the property. The loan bears interest at bank's offer rate plus 1.4% (2020: 1.4%) per annum.

(b) A revolving loan of $20,331,192 (2020: $25,442,480) granted by another bank to the same subsidiary as in (a) above. The loan is secured by a corporate guarantee from the holding company and a legal charge of $15,000,000 (2020: $15,000,000) over the subsidiary's fixed deposits. The loan bears interest at bank's costs of funds rate plus 1.1% - 1.7% (2020: 1.1% - 1.7%) per annum.

(c) In the previous financial year, short-term Sterling Pound bank loans comprises of a bank loan of $17,874,149 granted to a subsidiary. With the refinancing exercise carried out in the current financial year, the loan of $18,152,850 was extended and reclassified to long-term bank loan. The loan is secured by a legal charge over the subsidiary's investment property, a pledged deposit of $557,420 (2020: $286,676), assignment of tenancy agreement and rental income and a corporate guarantee from another subsidiary. The loan bears interest at LIBOR rate plus 2.3% (2020: 2.3%) per annum.

27. BANK LOANS (SECURED) (CONT'D)

Long-term Singapore Dollar bank loan comprises a revolving credit facility which is secured by a legal charge over the investment properties, assignment of construction contracts, performance bonds in respect to the development of the investment properties and a corporate guarantee from one of the subsidiary companies. The loan bears interest at bank's swap rate plus 1.6% (2020: 1.6%) per annum.

Under the terms and conditions of the respective loans, these subsidiaries are prohibited from lifting the fixed deposits or subjecting them to further charges without furnishing a replacement security of similar value.

A reconciliation of liabilities arising from financing activities is as follows:

				Non-cash changes			
2021	**At 1 January $**	**Proceeds $**	**Repayments $**	**Foreign exchange movement $**	**Reclassification $**	**Other $**	**At 31 December $**
Bank loans							
- Current	72,805,041	5,803,715	(8,847,089)	945,455	(18,152,850)	44,407	52,598,679
- Non-current	4,397,710	804,902	–	–	18,152,850	–	23,355,462
	77,202,751	6,608,617	(8,847,089)	945,455	–	44,407	75,954,141
Loan from non-controlling interest (Note 26)	4,938,967	905,878	–	49,619	–	–	5,894,464
Total	82,141,718	7,514,495	(8,847,089)	995,074	–	44,407	81,848,605

				Non-cash changes			
2020	**At 1 January $**	**Proceeds $**	**Repayments $**	**Foreign exchange movement $**	**Reclassification $**	**Other $**	**At 31 December $**
Bank loans							
- Current	61,310,587	–	(7,102,196)	961,403	17,546,509	88,738	72,805,041
- Non-current	17,885,607	4,058,612	–	–	(17,546,509)	–	4,397,710
	79,196,194	4,058,612	(7,102,196)	961,403	–	88,738	77,202,751
Loan from non-controlling interest (Note 26)	5,095,373	–	(223,539)	67,133	–	–	4,938,967
Total	84,291,567	4,058,612	(7,325,735)	1,028,536	–	88,738	82,141,718

The 'Other' column relates to amortisation of capitalised finance costs using the effective interest method.

28. DEFERRED TAX LIABILITIES

Group	Group			
	Consolidated balance sheet		Consolidated income statement	
	2021 $	2020 $	2021 $	2020 $
Deferred tax liabilities				
Remeasurement gain[1]	(833,466)	(822,649)	–	(416,661)
Differences in depreciation and capital allowances	(1,028,498)	(1,132,295)	(103,797)	(107,042)
Accrued interest income	(3,348,879)	(2,959,410)	389,469	365,542
Exchange differences	–	–	–	(12,954)
	(5,210,843)	(4,914,354)		
Net deferred tax liabilities	(5,210,843)	(4,914,354)		
Deferred tax expense/(credit)			285,672	(171,115)

[1] The movement in deferred tax on remeasurement gain relates to movement in currency translation differences.

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately $9,224,000 (2020: $9,397,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Unrecognised deferred tax liabilities

The temporary differences associated with investments in the Group's subsidiaries and joint ventures, for which a deferred tax liability has not been recognised in the periods presented, aggregate to approximately $22,467,000 (2020: $24,571,000). The Group has determined that the undistributed profits of its subsidiaries or joint venture will not be distributed in the foreseeable future.

Tax consequences of proposed dividends

There are no income tax consequences (2020: $Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 29).

29. DIVIDENDS

	Group	
	2021	2020
	$	$
In respect of financial year ended 31 December 2019:		
- Final exempt (one-tier) dividend of 1.0 cent per share	–	6,526,611
In respect of financial year ended 31 December 2020:		
- Final exempt (one-tier) dividend of 1.0 cents per share	6,526,611	–
	6,526,611	6,526,611

The directors of the Company have recommended a final tax exempt ordinary dividend of 1.0 cent per share, totaling $6,526,611 to be paid in respect of the financial year ended 31 December 2021, subject to shareholders' approval at the annual general meeting of the Company.

30. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions are entered into by the Group and the Company with related parties at terms agreed between the parties:

	Group		Company	
	2021	2020	2021	2020
	$	$	$	$
Income statement				
Management fees paid and payable to a subsidiary	–	–	111,633	119,713
Rental fee paid and payable to a subsidiary	–	–	56,400	56,400
Reimbursement of expense to a subsidiary	–	–	10,784	12,053
Interest income from associates	(139,476)	(125,413)	–	–
Rental income from an associated company	(29,754)	(22,668)	–	–
Management fees from an associated company	(3,000)	(3,000)	–	–
Reimbursement of expense from an associated company	(8,667)	(8,174)	–	–

31. COMMITMENT AND CONTINGENCIES

	Group		Company	
	2021 $	2020 $	2021 $	2020 $
(a) ***Contingent liabilities***				
Financial guarantees given to financial institutions in connection with facilities given to its joint ventures and subsidiaries	8,277,700	8,170,261	15,000,000	15,000,000

The fair value of the financial guarantees provided for its joint ventures and subsidiaries is not expected to be material as a portion of the loans and borrowings are collateralised against the joint ventures' investment properties and a subsidiary's fixed deposits. Further, the probability of the joint ventures and the subsidiaries defaulting on the credit lines is remote. Accordingly, the financial guarantees have not been recognised.

	Group	
	2021 $	2020 $
(b) ***Capital commitments***		
Investment properties	7,595,602	3,037,798
Property, plant and equipment	255,750	275,310
Unquoted investment securities	3,357,685	4,753,969
Investment in associated companies	20,459,558	4,490,956

(c) ***Contingent asset***

In April 2013, one of the Group's joint ventures (the "JV") was granted a 125 year lease on the site of the former post office building in Fitzalan Square, Sheffield, United Kingdom (the "Site") as part of the redevelopment of the Site.

Concurrently, the lessee of the Site, the JV and the development manager of the site ("DM") have entered into agreements for the redevelopment of the Site ("Agreements") and the Group opined that the Agreements were integral to the 125 year lease as the lease would not have been granted had the Agreements not been put in place.

Pursuant to the Agreements, the funds required for the redevelopment of the Site are to be provided by the lessee and the JV could be entitled to receive up to GBP2.16 million in the event the Site is refinanced or disposed of in the future following its redevelopment, including the Group's share of GBP1.08 million.

31. COMMITMENT AND CONTINGENCIES (CONT'D)

(c) ***Contingent asset (cont'd)***

During the financial year ended 31 December 2016, the JV has received GBP749,000 (equivalent to approximately $1,399,546), including the Group's share of GBP374,500 (equivalent to approximately $699,773) upon the completion of the Site refinancing.

During the financial year ended 31 December 2019, the JV has recognised gain of GBP250,000, including the Group's share of GBP125,000 (equivalent to approximately $217,966).

During the financial year ended 31 December 2020, the JV has recognised gain of GBP88,100, including the Group's share of GBP44,050 (equivalent to approximately $78,222).

During the financial year ended 31 December 2021, the JV has recognised gain of GBP65,000, including the Group's share of GBP32,500 (equivalent to approximately $60,012).

The JV could be entitled to receive the remaining balance of GBP1,007,900 (equivalent to approximately $1,829,626), including the Group's share of GBP503,950 (equivalent to approximately $914,813), in the event the Site is disposed of in the future following its redevelopment.

Given the uncertainty in relation to (i) the future value of the Site post-development; and (ii) the possible sale of the redeveloped Site post-completion, the management believes that it is not virtually certain that a profit will be realised. Hence, no asset in respect of the Group's share of the remaining balance of GBP503,950 (2020: GBP536,450) is recognised at the end of the reporting period in 2021 and 2020.

(d) ***Operating lease commitments - As lessor***

The Group has entered into residential and commercial property leases on its investment property portfolio. These non-cancellable leases have remaining non-cancellable lease terms of between 1 and 117 years (2020: 1 and 118 years). All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum lease payments receivable under non-cancellable operating leases as at 31 December are as follows:

	Group	
	2021	**2020**
	$	**$**
Within one year	6,053,618	7,764,506
Between one year and five years	22,457,795	21,853,302
Later than 5 years	11,754,144	16,436,932
	40,265,557	46,054,740

32. DIRECTORS' REMUNERATION

The number of directors of the Company whose emoluments fall within the following bands is as follows:

	2021	2020
$500,001 to $750,000	2 (1)	1
Between $250,001 to $500,000	–	–
Below $250,000*	7 (2)	8 (3)
	9	9

(1) Included a director who retired on 23 April 2021 and a newly appointed director on 23 April 2021.
(2) Included a newly appointed director of the Company.
(3) Included 2 directors who ceased to be directors of the Company during the year.

33. GROUP SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the chief operating decision maker to make decisions about allocation of resources and assessment of performance.

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic units offer different products and services and are managed separately because they require different strategies.

The following summary describes the operations in each of the Group's reportable segments:

- Rental: rental of residential, commercial properties and warehouse
- Investments: investment holding (other than the Company's investment in subsidiaries)
- Corporate and others: the Company's investment holding of subsidiaries

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. All assets and liabilities are allocated to reportable segments.

For purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors performance based on segment profit before income tax. Segment profit is measured as management believes the information is useful in evaluating the results of certain segments relative to other entities that operate within these industries. The segment transactions are determined on an arm's length basis.

Transfer prices between operating segments are on an arms' length basis in a manner similar to transactions with third parties.

Unallocated items such as cash at bank, bank overdraft, bank loans, provision for tax, deferred taxation, group financing (including finance costs), income tax and certain foreign exchange differences are managed on a group basis and are not allocated to operating segments.

33. GROUP SEGMENTAL INFORMATION (CONT'D)

31 December	Rental		Investments	
	2021 $	2020 $	2021 $	2020 $
Revenue				
- External	9,040,585	8,957,296	1,083,106	1,353,356
- Inter-segment	–	–		–
Total revenue	9,040,585	8,957,296	1,083,106	1,353,356
Results:				
Interest income (in other income)	303	3,523	–	–
Depreciation of property, plant and equipment and investment properties	(2,485,832)	(2,448,153)	(41,229)	(41,118)
Fair value changes in investment securities	–	–	(136,861)	5,225,328
Gain on disposal of investment properties	4,133,217	5,874,940	–	–
Gain on disposal of a joint venture	–	–	763,381	–
Impairment loss on other receivables and assets	–	(1,858,167)	–	(166,817)
Impairment loss on trade receivables	(959,477)	–	–	
Impairment loss on investment properties	–	(3,068,682)	–	–
Share of results of associates and joint ventures	–	–	2,757,484	505,384
Segment profit/(loss) before tax	5,935,603	3,317,374	3,182,222	5,624,053
Investment in joint ventures	–	–	4,751,655	4,240,792
Investment in associates	–	–	30,049,595	20,271,053
Additions to non-current assets	1,684,669	1,419,926	1,287	6,437
Segment assets	164,458,102	166,105,439	172,287,143	176,817,574
Segment liabilities	129,955,954	124,972,375	17,755,869	13,591,342

Corporate and others			Adjustments and eliminations		Per consolidated financial statements	
2021	2020		2021	2020	2021	2020
$	$		$	$	$	$
–	–		–	–	10,123,691	10,310,652
–	–		–	–		–
–	–		–	–	10,123,691	10,310,652
2,568	34,321		–	–	2,871	37,844
(140,991)	(176,207)		–	–	(2,668,052)	(2,665,478)
–	–		–	–	(136,861)	5,225,328
	–		–	–	4,133,217	5,874,940
–	–		–	–	763,381	–
–	–		–	–		
					–	(2,024,984)
–	–		–	–	(959,477)	–
–	–		–	–	–	(3,068,682)
	–		–	–	2,757,484	505,384
(1,949,485)	(1,861,351)	A	(1,729,862)	(2,011,348)	5,438,478	5,068,728
–	–		–	–	4,751,655	4,240,792
–	–		–	–	30,049,595	20,271,053
60,537	134,960	B	–	–	1,746,493	1,561,323
189,625,384	185,689,668	C	(242,133,536)	(242,823,050)	284,237,093	285,789,631
3,342,772	3,292,953	D	(52,994,466)	(43,130,727)	98,060,129	98,725,943

33. GROUP SEGMENTAL INFORMATION (CONT'D)

A. The following items are deducted from segment profit to arrive at "profit before tax" presented in the consolidated income statement:

	2021 $	2020 $
Unallocated expenses	(132,131)	(92,712)
Finance costs	(1,597,731)	(1,918,636)
	(1,729,862)	(2,011,348)

B. Additions to non-current assets consist of additions to property, plant and equipment and investment properties.

C. The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated balance sheet:

	2021 $	2020 $
Cash and bank balances	42,229,617	44,678,777
Inter-segment assets	(284,363,153)	(287,502,627)
	(242,133,536)	(242,823,850)

D. The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	2021 $	2020 $
Bank loans	75,954,141	77,202,751
Bank overdraft	377,337	228,853
Income tax payable	1,889,077	2,353,861
Deferred tax liabilities	5,210,843	4,914,354
Inter-segment liabilities	(136,425,864)	(127,830,546)
	(52,994,466)	(43,130,727)

Geographical information

	Revenue		Non-current assets	
	2021 $	2020 $	2021 $	2020 $
Singapore	5,777,922	6,125,702	105,672,318	101,790,292
United Kingdom	4,345,769	4,184,950	99,221,518	113,007,724
	10,123,691	10,310,652	204,893,836	214,798,016

In presenting information on the basis of geographical segments, segment revenue and assets are based on geographical location of customers and assets respectively.

33. GROUP SEGMENTAL INFORMATION (CONT'D)

Information about a major customer

Revenue of $4,368,876 (2020: $4,368,876) was derived from a single external customer. This revenue was derived in Singapore and relates to rental income.

34. MAJOR PROPERTIES OWNED BY THE GROUP

Location	Company	Type/Usage	Area
Property, plant and equipment			
Leasehold land and building			
38 South Bridge Road Singapore 058672	Paco Industries Pte. Ltd.	Lot 160 – 99 years lease from 1941. Lot 164 – 99 years lease from 1947. Office	Lot 160 – land area of about 121 square metres. Lot 164 – land area of about 123 square metres. Gross floor area of about 1,022 square metres (10,989 sq feet)
Freehold office property			
400 Orchard Road #11-09/10 Orchard Towers Singapore 238875	Singapore Warehouse Company (Private) Ltd	Freehold. Office	Gross floor area of about 157 square metres (1,690 square feet)
Investment properties			
Held by the Group			
93,95 Robertson Quay Singapore 238255/6/7	Global Trade Investment Management Pte Ltd	Freehold. 1 unit of residential apartment and 4 units of commercial shops.	Gross floor area of 475 square metres (5,112 square feet)
110 Paya Lebar Road Singapore Warehouse Singapore 409009	Singapore Warehouse Company (Private) Ltd	Freehold. Factory, warehouse, ancillary office and showroom	Land area of about 5,480 square metres. Gross floor area of about 14,446.7 square metres (155,504 square feet)

34. MAJOR PROPERTIES OWNED BY THE GROUP (CONT'D)

Location	Company	Type/Usage	Area
Investment properties (cont'd)			
Held by the Group (cont'd)			
Lands lots 2706N and lots 2847M, Jalan Besar Singapore	253 JB Pte. Ltd.	Freehold. 2 commercial freehold sites	Land area of about 900.3 square metres (9,691 square feet)
58 Queensgate London SW7 United Kingdom	Thackeray Properties Limited	Freehold. 6 units of residential apartments	Gross floor area of 630.4 square metres (6,778 square feet)
115B Queensgate London SW7 United Kingdom	Thackeray Properties Limited	Freehold. 2 units of residential apartments	Gross floor area of 177.5 square metres (1,911 square feet)
15/17 Hornton Street London W8 United Kingdom	Pumbledon Limited	Freehold. 1 unit of residential apartments	Gross floor area of 98.57 square metres (1,061 square feet)
71.4% interest in 20 Garrett Street, London EC1Y 0TW, United Kingdom(2)	Garrett Property Holdings Ltd	Freehold. Office building	Floor area of 1,625.80 square metres (17,500 square feet)
20 Midtown, Procter Street, Holborn London WC1 6NX United Kingdom	Vantagepro Investment Limited	Freehold. Office building	Floor area of 2,875.88 square metres (30,956 square feet)
50% interest in Head Post Office Fitzalan Square, Sheffield S1 2AB United Kingdom	Vantagepro Investment Limited	Freehold. Office building	Floor area of 6,422.43 square metres (69,131 square feet)
Held by joint ventures			
Block E Bankside 4, London SE1 9RE United Kingdom	Neo Pav E Investments LLP	Leasehold. Office building	Gross floor area of 690.1 square metres (7,428 square feet)
Block A, B, C and D, Retail units located at Bankside 4, London SE1 0SW United Kingdom	Neo Bankside Retail LLP	Leasehold. Retail units	Gross floor area of 1,337.70 square metres (14,399 square feet)

34. MAJOR PROPERTIES OWNED BY THE GROUP (CONT'D)

Location	Company	Type/Usage	Area
Investment properties (cont'd)			
Held by associates			
304 Orchard Road #05-00 Lucky Plaza Singapore 238863	Hong Property Investments Pte Ltd	Freehold. Commercial	Gross floor area of 2,855 square metres (30,731 square feet)
400 Orchard Road #20-05/05A/06 Orchard Towers Singapore 238875	Hong Property Investments Pte Ltd	Freehold. Commercial	Gross floor area of 330.92 square metres (3,562 square feet)
Kilmuir House Ebury Street, London SW1W 9JL United Kingdom[1]	Clan Kilmuir (Jersey) Limited	Leasehold. Residential	Gross floor area of 3,273 square metres (35,231 square feet)
51 Scotts Road	Scotts Spazio Pte. Ltd.	Leasehold. 15 years from 15 August 2007 4-storey office block	Land area of 1.04 hectares. Maximum permissible gross floor area of 15,666 sq metres (168,628 sq feet)
46 Loman Street London SE1 0EH United Kingdom[3]	SCLOF	Freehold. Office building	Gross floor area of 2,314.5 square metres (24,913 square feet)
186 City Road, London EC1V 2NU United Kingdom[4]	SCLOF	Freehold. Office building.	Gross floor area of 3,599 square metres (38,738 square feet)

(1) Clan Kilmuir (Jersey) Limited has a 50% investment in Kilmuir House (Jersey) Limited, which in turn holds the Kilmuir House property.

(2) Garrett Property Holdings Ltd has a 100% investment in Capital Garrett Ltd, which in turn holds the 20 Garrett Street property.

(3) SCLOF via its subsidiary entities, holds 50% interests in Loman Holdings Limited, which has a 100% investment in Capital Loman Ltd that in turn holds the 46 Loman Street property.

(4) SCLOF via its subsidiary entities, has a 100% investment in SCLOF I (City Road) Limited, which in turn holds the 186 City Road property.

35. FAIR VALUES OF ASSETS AND LIABILITIES

(a) ***Fair value hierarchy***

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

(i) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
(ii) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
(iii) Level 3 - Unobservable inputs for the asset or liability.

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

(b) ***Assets and liabilities measured at fair value***

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			
	Fair value measurements at the end of the period using			
31 December 2021	**Quoted prices in active markets for identical instruments (Level 1)**	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	$	**$**	**$**	**$**
Recurring fair value measurements				
Assets:				
Financial assets:				
Investment securities at FVPL (current)				
- Quoted equity securities	20,409,054	–	–	20,409,054
- Quoted debt securities	1,000,000	–	–	1,000,000
- Unquoted debt securities	–	–	1,977,683	1,977,683
Equity securities at FVOCI (non-current)				
- Quoted equity securities	3,092,892	–	–	3,092,892
- Quoted non-equity securities	4,105,261	–	–	4,105,261
- Unquoted equity securities	–	–	11,762,830	11,762,830
	28,607,207	–	13,740,513	42,347,720

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(b) ***Assets and liabilities measured at fair value (cont'd)***

	Group			
	Fair value measurements at the end of the period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$	$	$	$
31 December 2020				
Recurring fair value measurements				
Assets:				
Financial assets:				
Investment securities at FVPL (current)				
- Quoted equity securities	16,032,744	–	–	16,032,744
- Unquoted debt securities	–	–	1,294,625	1,294,625
Equity securities at FVOCI (non-current)				
- Quoted equity securities	5,596,809	–	–	5,596,809
- Quoted non-equity securities	4,306,903	–	–	4,306,903
- Unquoted equity securities	–	257,607	13,012,426	13,270,033
	25,936,456	257,607	14,307,051	40,501,114

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(b) ***Assets and liabilities measured at fair value (cont'd)***

	Group			
	Fair value measurements at the end of the period using			
31 December 2020	**Quoted prices in active markets for identical instruments (Level 1)**	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	$	**$**	**$**	**$**
Recurring fair value measurements				
Liabilities:				
Financial liabilities:				
Derivatives	–	(46,420)	–	(46,420)

(c) ***Level 2 fair value measurement***

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Unquoted equity securities (non-current)

The investments relate to funds which invest primarily in equities that are publicly traded and listed in recognised stock exchanges. Fair values have been determined based on investor statements issued by the fund managers.

Derivatives (current)

The fair value of interest rate swaps are based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date. The derivative has been redeemed during the year.

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(d) ***Level 3 fair value measurements***

Information about significant unobservable inputs used in the Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value at 31 December 2021 $	Valuation techniques	Unobservable inputs
Recurring fair value measurements			
Investment securities at FVPL			
- Unquoted debt securities (current)	1,977,683	Expected present value method	Discount rate
Equity securities at FVOCI			
- Unquoted equity investments, (non-current)	11,762,830	Quote from fund manager	Not applicable

Description	Fair value at 31 December 2020 $	Valuation techniques	Unobservable inputs
Recurring fair value measurements			
Investment securities at FVPL			
- Unquoted debt securities (current)	1,294,625	Expected present value method	Discount rate
Equity securities at FVOCI			
- Unquoted equity investments, (non-current)	13,012,426	Quote from fund manager	Not applicable

For investment securities at FVPL, a significant increase (decrease) in the discount rate would result in a significantly lower (higher) fair value measurement.

Equity securities at FVOCI relate to funds which invest primarily in unquoted assets. Fair values have been determined based on investor statements issued by the fund managers.

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(d) ***Level 3 fair value measurements (cont'd)***

Movements in Level 3 assets and liabilities measured at fair value

	Group	
	2021	**2020**
	$	**$**
Fair value measurements using significant unobservable inputs (Level 3)		
Investment securities at FVPL:		
Unquoted debt securities (current)		
At 1 January	1,294,625	1,322,038
Net change in fair value included in profit or loss	683,058	(27,413)
At 31 December	1,977,683	1,294,625
Equity securities:		
Unquoted equity investments (non-current)		
At 1 January	13,012,426	14,807,461
Net change in fair value included in other comprehensive income	(1,150,483)	(1,171,517)
Return of capital during the year	(109,113)	(623,518)
Purchased during the year	10,000	–
At 31 December	11,762,830	13,012,426

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(e) ***Assets and liabilities not carried at fair value but for which fair value is disclosed***

The following table shows an analysis of the Group's assets and liabilities not measured at fair value at 31 December but for which fair value is disclosed:

	Group			
	Fair value measurements at the end of the period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$	$	$	$
31 December 2021				
Non-financial assets:				
Investment properties				
- Commercial	–	–	228,947,910	228,947,910
- Residential	–	–	11,088,847	11,088,847
	–	–	240,036,757	240,036,757

	Group			
	Fair value measurements at the end of the period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$	$	$	$
31 December 2020				
Non-financial assets:				
Investment properties				
- Commercial	–	–	219,652,511	219,652,511
- Residential	–	–	34,632,736	34,632,736
	–	–	254,285,247	254,285,247

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(e) ***Assets and liabilities not carried at fair value but for which fair value is disclosed (cont'd)***

Determination of fair value

Commercial investment properties

The valuation for two of the Singapore properties were based on income capitalisation method and direct comparison method. The income capitalisation method involves the conversion of the estimated annual net rental income of the property after deducting all necessary outgoings and expenses such as property tax, costs of repairs and maintenance and insurance into a capital sum at a suitable rate of return which reflects the tenure and quality of the investment, while the direct comparison method considers the sale of similar properties that have been transacted in the open market.

The valuation of the other Singapore property was based on direct comparison method and residual method as the property is still under development.

The valuations for United Kingdom office and commercial properties were derived using the direct comparable and income capitalisation methods, where the fair value was derived having taken into consideration the rental and capital transactions in the vicinity of the investment properties, the passing rents and the estimated rental values of the properties which have been capitalised using investment yields. The fair value, after deducting purchaser's costs, was compared to other capital transactions on a capital value per square foot basis.

Residential investment properties

Valuations are based on comparable market transactions that consider the sale of similar properties that have been transacted in the open market.

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(f) ***Carrying amounts of financial instruments by categories***

The table below is an analysis of the carrying amounts of financial instruments by categories as at 31 December:

	Note	Group	
		2021 $	2020 $
Financial assets measured at amortised cost			
Other receivables and assets (exclude deferred rental receivable)		3,040,819	13,404,529
Trade receivables	21	1,027,144	457,046
Amounts due from associates	17	6,227,138	5,773,735
Cash and bank balances	22	42,229,617	44,678,777
		52,524,718	64,314,087
Equity securities			
At fair value through profit and loss			
- Quoted equity securities (current)	19	20,409,054	16,032,744
- Quoted debt instruments (current)	19	1,000,000	–
- Unquoted debt instruments (current)	19	1,977,683	1,294,625
At fair value through other comprehensive income			
- Quoted equity securities (non-current)	19	3,092,892	5,596,809
- Quoted non-equity securities (non-current)	19	4,105,261	4,306,903
- Unquoted equity securities (non-current)	19	11,762,830	13,270,033
		42,347,720	40,501,114
Financial liabilities measured at amortised cost			
Bank overdraft	24	377,337	228,853
Trade payable	25	362,292	475,372
Other payables (exclude deferred income, rental received in advance and other tax payables)		9,503,333	8,631,284
Accrued operating expenses		2,428,682	2,195,928
Amounts due to associates	17	1,995,669	1,979,866
Bank loans (secured)	27	75,954,141	77,202,751
		90,621,454	90,714,054

35. FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

(f) ***Carrying amounts of financial instruments by categories (cont'd)***

The table below is an analysis of the carrying amounts of financial instruments by categories as at 31 December: (cont'd)

	Group	
	2021	**2020**
	$	**$**
Financial liabilities at fair value through profit and loss		
Derivatives	–	46,420

	Note	Company	
		2021	**2020**
		$	**$**
Financial assets measured at amortised cost			
Amounts due from subsidiaries	16	10,247,000	5,069,000
Cash and bank balances	22	331,875	3,997,545
		10,578,875	9,066,545
Financial liabilities measured at amortised cost			
Other payables	26	379,878	376,119
Accrued operating expenses		193,274	244,295
Amounts due to associates	17	365,467	358,799
		938,619	979,213

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include equity price risk, interest rate risk, liquidity risk, credit risk and foreign currency risk. The directors review and agree policies and procedures for the management of these risks. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit and Risk Committee provides independent oversight on the effectiveness of the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

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

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

(a) ***Equity price risk***

Equity price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity securities. These securities are quoted on stock exchanges in Singapore, Korea, London and Hong Kong. The Group's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield and non-investment grade shares with higher volatility. To manage its price risk arising from investments in quoted equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The table below demonstrates the sensitivity to a reasonably possible change in equity price risk with all other variables held constant, of the Group's profit before tax and the Group's fair value reserve:

	Group		
	Percentage point change in assumption	**Effect on profit before tax**	**Effect on fair value reserve**
2021		**$'000**	**$'000**
- Straits Times Index	+10%	412	51
	-10%	(412)	(51)
- Korea Composite Stock Price Index	+10%	447	–
	-10%	(447)	–
- London Stock Exchange	+10%	–	411
	-10%	–	(411)
- Hang Seng Index	+10%	1,128	–
	-10%	(1,128)	–
2020			
- Straits Times Index	+10%	647	512
	-10%	(647)	(512)
- Korea Composite Stock Price Index	+10%	740	–
	-10%	(740)	–
- London Stock Exchange	+10%	–	430
	-10%	–	(430)
- Hang Seng Index	+10%	45	–
	-10%	(45)	–

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

(b) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its placements in fixed deposits and debt obligations with financial institutions. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. The Group uses a combination of fixed and floating rates facilities to allow the Group to benefit from the relative lower interest rate in short term loans and mitigate sudden hike in interest rates.

At the end of the reporting period, if interest rates had been 50 (2020: 50) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $354,000 (2020: $387,000) higher/lower.

(c) ***Liquidity risk***

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

The Group's and the Company's objective is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions if any, without incurring unacceptable losses or risking damage to the Group's reputation. This is achieved through monitoring the cash flow requirements closely and optimising its cash return on investments. In addition, the Group also maintains the availability of stand-by credit facilities.

Surplus funds are placed with reputable banks and/or financial institutions.

The table below summarises the maturity profile of the Group's and the Company's financial assets and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

Group 31 December 2021	1 year or less $	2 to 5 years $	After 5 years $	Total $
Financial assets				
Amounts due from associates	6,366,685	–	–	6,366,685
Investment securities	23,386,737	14,924,162	4,036,821	42,347,720
Trade receivables and other receivables and assets	3,862,835	–	–	3,862,835
Cash and bank balances	42,229,617	–	–	42,229,617
Total undiscounted financial assets	75,845,874	14,924,162	4,036,821	94,806,857

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

(c) ***Liquidity risk (cont'd)***

Group 31 December 2021	1 year or less $	2 to 5 years $	After 5 years $	Total $
Financial liabilities				
Bank overdraft	377,337	–	–	377,337
Trade and other payables	3,509,645	79,523	6,276,459	9,865,627
Accrued operating expenses	2,428,682	–	–	2,428,682
Amounts due to associates	1,995,669	–	–	1,995,669
Bank loans	54,110,580	24,314,047	–	78,424,627
Total undiscounted financial liabilities	62,421,913	24,393,570	6,276,459	93,091,942
Total net undiscounted financial assets/ (liabilities)	13,423,961	(9,469,408)	(2,239,638)	1,714,915
31 December 2020				
Financial assets				
Amounts due from associates	5,901,276	–	–	5,901,276
Investment securities	17,327,369	19,278,882	3,894,863	40,501,114
Trade receivables and other receivables and assets	2,847,364	–	11,014,211	13,861,575
Cash and bank balances	44,678,777	–	–	44,678,777
Total undiscounted financial assets	70,754,786	19,278,882	14,909,074	104,942,742
Financial liabilities				
Bank overdraft	228,853	–	–	228,853
Trade and other payables	3,640,268	145,425	5,320,963	9,106,656
Derivatives	46,420	–	–	46,420
Accrued operating expenses	2,195,928	–	–	2,195,928
Amounts due to associates	1,979,866	–	–	1,979,866
Bank loans	74,069,332	4,475,692	–	78,545,024
Total undiscounted financial liabilities	82,160,667	4,621,117	5,320,963	92,102,747
Total net undiscounted financial (liabilities)/ assets	(11,405,881)	14,657,765	9,588,111	12,839,995

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

(c) ***Liquidity risk (cont'd)***

Company **31 December 2021**	**1 year or less** **$**	**2 to 5 years** **$**	**Total** **$**
Financial assets			
Amounts due from subsidiaries	10,247,000	–	10,247,000
Cash and bank balances	331,875	–	331,875
Total undiscounted financial assets	10,578,875	–	10,578,875
Financial liabilities			
Other payables	379,878	–	379,878
Amounts due to associates	365,467	–	365,467
Accrued operating expenses	193,274	–	193,274
Total undiscounted financial liabilities	938,619	–	938,619
Total net undiscounted financial assets	9,640,256	–	9,640,256
31 December 2020			
Financial assets			
Amounts due from subsidiaries	5,069,000	–	5,069,000
Cash and bank balances	3,997,545	–	3,997,545
Total undiscounted financial assets	9,066,545	–	9,066,545
Financial liabilities			
Other payables	376,119	–	376,119
Amounts due to associates	358,799	–	358,799
Accrued operating expenses	244,295	–	244,295
Total undiscounted financial liabilities	979,213	–	979,213
Total net undiscounted financial assets	8,087,332	–	8,087,332

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

(c) ***Liquidity risk (cont'd)***

The table below shows the contractual expiry by maturity of the Group's and the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantees could be called.

Group	1 year or less $	2 to 5 years $	Total $
31 December 2021			
Financial guarantees provided to joint ventures	–	8,277,700	8,277,700
31 December 2020			
Financial guarantees provided to joint ventures	–	8,170,261	8,170,261
Company			
31 December 2021			
Financial guarantees provided to subsidiaries	15,000,000	–	15,000,000
31 December 2020			
Financial guarantees provided to subsidiaries	15,000,000	–	15,000,000

(d) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises mainly from amounts due from subsidiaries/associates, trade receivables and other receivables and assets. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

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

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

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

At the end of the reporting period, the carrying amount of amounts due from subsidiaries/associates, trade receivables, other receivables and assets and cash and bank balances represent the Group's and the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

At the end of the reporting period, there was no significant concentration of credit risks.

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

(e) ***Foreign currency risk***

Currency risk arises when transactions are denominated in currencies other than the functional currencies of the respective entities. In addition, the Group is exposed to currency translation gains/losses as a result of translating its overseas assets and liabilities held through its subsidiaries. Such translation gains/losses are unrealised in nature and do not impact current year profits unless the underlying assets or liabilities of the subsidiaries are disposed of.

The Group does not generally use derivative foreign exchange contracts in managing its foreign currency risk arising from cash flows from anticipated transactions denominated in foreign currencies, primarily the Sterling Pound and Korean Won. Wherever possible, the Group manages its currency risks by financing its purchases using bank borrowings denominated in the currency of the country in which the asset is situated. Foreign currencies received are kept in foreign currencies accounts and are converted to the respective functional currency of the Group companies on a need-to basis so as to minimise foreign exchange exposure.

Sensitivity analysis for foreign currency risk

Entities in the Group regularly transact in currencies other than their respective functional currencies, such as Singapore Dollar and Sterling Pound. The following table demonstrates the sensitivity to a reasonably possible change in the Singapore Dollar, United States Dollar, Sterling Pound, Korean Won and Hong Kong Dollar, against the respective functional currencies of the Group's entities with all other variables held constant, on the Group's profit before tax and fair value reserve:

	Group			
	2021		2020	
	Profit before tax $'000	Fair value reserve $'000	Profit before tax $'000	Fair value reserve $'000
United States Dollar/Singapore Dollar				
- strengthened 10% (2020: 10%)	470	427	905	495
- weakened 10% (2020: 10%)	(470)	(427)	(905)	(495)
Sterling Pound/Singapore Dollar				
- strengthened 10% (2020: 10%)	116	633	(549)	689
- weakened 10% (2020: 10%)	(116)	(633)	549	(689)
United States Dollar/Sterling Pound				
- strengthened 10% (2020: 10%)	–	(93)	–	(81)
- weakened 10% (2020: 10%)	–	93	–	81
Korean Won/Singapore Dollar				
- strengthened 10% (2020: 10%)	447	–	740	–
- weakened 10% (2020: 10%)	(447)	–	(740)	–
Hong Kong Dollar/Singapore Dollar				
- strengthened 10% (2020: 10%)	1,131	–	47	–
- weakened 10% (2020: 10%)	(1,131)	–	(47)	–

37. CAPITAL MANAGEMENT

Capital includes equity attributable to owners of the Company.

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings. The Company may also purchase its own shares on the market; subject to the terms of the share purchase mandate as approved by the shareholders. Share purchase allows the Company greater flexibility over its share capital structure with a view to improving, *inter alia*, its return on equity. Share purchase in lieu of issuing new shares would also mitigate the dilution impact on existing shareholders. There were no such acquisition of treasury shares transacted in 2021 (2020: Nil).

No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 2020.

The Group monitors capital based on gearing ratio which is total liabilities divided by total equity. At 31 December 2021, total liabilities and total equity are $98,060,129 (2020: $98,725,943) and $186,176,964 (2020: $187,063,688) respectively. The Group also monitors dividends paid to shareholders. The Group seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. At 31 December 2021, the Group's gearing ratio was 0.53 (2020: 0.53).

38. SUBSEQUENT EVENT

Subsequent to year end, one of the associated companies, Singamet Trading Pte. Ltd was placed under member's voluntary liquidation on 20 January 2022.

39. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 1 March 2022.

APPENDIX V

VALUATION REPORTS AND/OR CERTIFICATES

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1 Introduction

1.1 Instructions

We refer to written instructions received from Hwa Hong Corporation Limited to advise on the market values as at 30 April 2022 of Development Sites known as Lots 2706N & 2847M of Town Subdivision 17 at Jalan Besar, Singapore (the "Property").

1.2 Critical Assumptions

We made certain critical assumptions which collectively have a material impact upon our valuation. These are noted as follows:

- Our assessment addresses the market value of the Property based on the proposed development and development parameters as advised by Hwa Hong Corporation Limited.
- We have assumed that the proposed development will be satisfactorily completed.

1.3 GST Assumptions

Unless otherwise stated, all financial information and valuation calculations and assessments in this report exclude GST.

1.4 Extension of Liability & Confidentiality

This report may only be relied upon by Hwa Hong Corporation Limited for determining the market value of the Property in connection with the voluntary conditional general offer for all the issued and paid-up ordinary shares in the share capital of Hwa Hong Corporation Limited and for inclusion in Hwa Hong Corporation Limited's circular in relation to the offer.

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

1.5 Market Value Definition

In accordance with the Singapore Institute of Surveyors and Valuers ("SISV") Valuation Standards and Practice Guidelines, the International Valuation Standards and as advocated by the Royal Institution of Chartered Surveyors (RICS), the definition of Market Value is as follows:

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

1.6 Valuer's Interest

We hereby certify that each of the valuer is authorised under law to practice as a valuer and has at least 13 years continuous experience in valuation and does not have a pecuniary interest that could conflict with the proper valuation of the Property.

1.7 Qualifications

This valuation is prepared in accordance with the SISV Valuation Standards and Practice Guidelines. In addition, this valuation has been prepared in accordance with the latest editions of the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards and the IVSC International Valuation Standards (IVS) both effective from 31 January 2020, where appropriate.

This valuation report is provided subject to the assumptions, disclaimers, qualifications and limitations detailed throughout this report and to those included within the Assumptions, Disclaimers, Limitations & Qualifications section of this report.

1.8 Limitation of Liability

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

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

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

1.9 Heightened Market Volatility

The value of development sites/projects is traditionally highly volatile and can be subject to rapid changes of value in short timeframes. They appeal to a narrow and very specific segment of the market, which can be significantly impacted by many factors such as broader economic conditions, changes to government policy, fluctuating levels of supply and demand for the product, changes in building costs and the availability and cost of development finance. All these (and more) factors will likely have a significant impact on the value and demand for the subject property.

Going forward there will be several key factors impacting on the viability of development projects and their underlying land values. Key concerns are rising construction costs, substantial new supply levels and easing investor demand for final product.

2 Site Details

2.1 Location

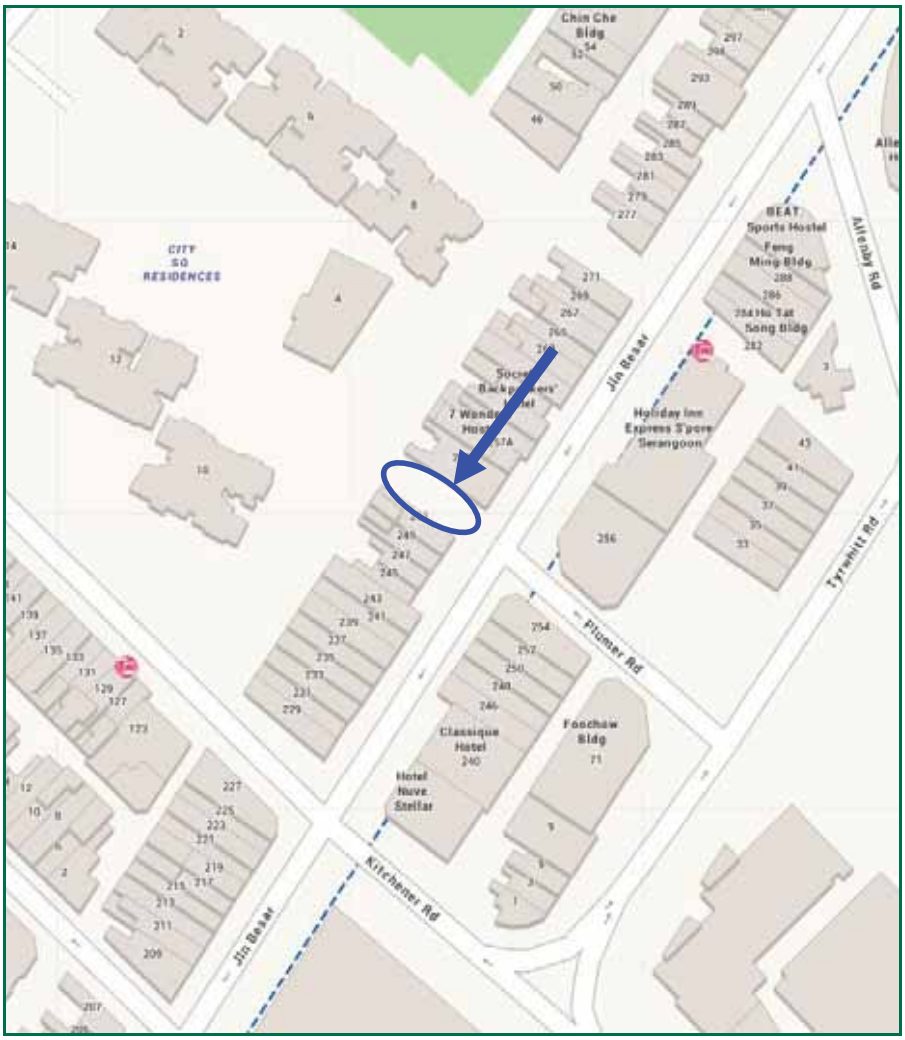
Situation: Located at Jalan Besar, facing the road junction of Jalan Besar and Plumer Road.

Location: The Property is approximately 4 kilometres from the financial hub at Raffles Place and about 27 minutes' drive from the Singapore Changi Airport.

Surrounds: The immediate vicinity is predominantly commercial in nature comprising mainly conservation shophouses and shopping centres such as Jalan Besar Plaza, City Square Mall and Mustafa Centre. The Jalan Besar Stadium, Jalan Besar Sports Centre and Jalan Besar Swimming Complex are located nearby.

The Property is approximately 450 metres and 550 metres from one of the entry/exit points of Farrer Park and Jalan Besar MRT Stations respectively. Bus and taxi services are also readily available within the vicinity. Access to other parts of the island is enhanced via the proximity to Central Expressway (CTE), Nicoll Highway, Pan Island Expressway (PIE) and other major arterial roads.

The following map indicates the position of the Property within Singapore:



2.2 Site & Services

Shape: The composite site has a rectangular shaped configuration.

Topography: Generally flat and on grade with Jalan Besar.

Total Site Area: 300.1 square metres.

Street Frontages: Jalan Besar: 11 metres (approx).
Average depth: 27 metres (approx).

Services: All typical services appear connected.

2.3 Legal Details

Real Property Description

- Legal description, land area and tenure of the Property are as follow:-

Lot Number (of Town Subdivision 17)	Strata Floor Area (sq m)	Tenure
2706N	263.3	Estate in Fee Simple derived from Grant in Fee Simple 2520 and Grant 152
2847M	36.8	Estate in Fee Simple derived from Grant in Fee Simple 3414

Registered Owner

- 253 JB Pte. Ltd.

Interest & Encumbrance

- The Property is mortgaged to Oversea-Chinese Banking Corporation Limited.

Public Scheme

- We have taken into account the Road Line Plan (dated 5 November 2021), Railway Protection Plan (dated 5 November 2021), Drainage Information Plan (dated 21 April 2018) and Sewerage Information Plan (dated 21 April 2018) associated with the Property.

  We confirm that the value of the Property will not be affected by the above-mentioned.

  A copy of the Road Line Plan, Railway Protection Plan, Drainage Information Plan and Sewerage Information Plan is appended in this valuation report.

2.4 Town Planning

Master Plan 2019: "Commercial" with a plot ratio of 3.0, an envelope control site (infill) within a designated "Petain Road/Tyrwhitt Road Conservation Area".

Existing Use: Development site.

3 Improvements

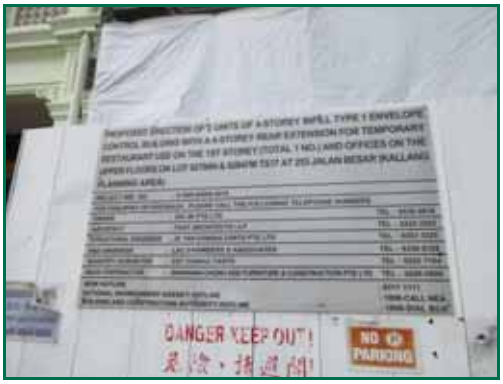
3.1 Proposed Development

The proposed development comprises 2 units of 4-storey infill Type 1 envelope control building with a 6-storey rear extension. The 1st storey will be temporarily used as a restaurant and upper floors will be used as offices.

As at the date of inspection (24 May 2022), the Property is undergoing construction works. As advised by Hwa Hong Corporation Limited, the target construction completion of the proposed development is 1st quarter of 2023.

According to the URA Written Permission dated 20 November 2019 (appended) and as advised by Hwa Hong Corporation Limited, upon satisfactory completion, the proposed development will have a total gross floor area of 900.59 square metres and a total lettable area of 725.99 square metres.





3.2 Development Cost

As advised by Hwa Hong Corporation Limited, the awarded construction cost (excluding contingencies) and estimated professional fees are $3,819,635 and $371,000 respectively. In addition, we have factored in a 1% for miscellaneous expenses. The cost parameters adopted in the valuation are detailed in Section 4.2 of this report.

3.3 Condition & Repairs

Our valuation is provided on the basis that the proposed development will be constructed in a tradesmanlike manner using new, quality materials and having regard to modern building techniques. Our valuation assumes that:

- A detailed report of the structure and service installations of the buildings once completed would not reveal any defects requiring significant expenditure.
- The buildings will comply with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations, and will be built in accordance with the provisions of the Singapore Standard "Code of Practice".

4 Valuation Rationale

4.1 Introduction

Our valuation addresses:

- Site Value.
- Gross Development Value assuming satisfactory completion of the proposed development.

4.2 Residual Method

In undertaking our assessment of the Property, we have utilised the Residual Method. In the Residual Method, the total gross development costs and developer's profit are deducted from the gross development value to arrive at the residual value of the land.

4.2.1 Gross Development Value (GDV)

We have adopted Direct Comparison Method as the primary valuation method, and Income Capitalisation Method as a cross-check, in arriving at the gross development value, assuming satisfactory completion, of the proposed development.

Direct Comparison Method involves the analysis of arms-length comparable sales and adjustments are made to reflect the differences in location, tenure, age of development, floor area, condition of property, standard of finishes and fittings as well as date of transaction, amongst other factors affecting value.

This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market.

The following are a cross-section of the sales evidence that we have taken into consideration in arriving at our assessment of the gross development value, assuming satisfactory completion, of the proposed development.

Sales Evidence

Property	Type	Land Area (sq m)	Approximate Gross Floor Area (sq m)	Tenure	Contract Date	Consideration (S$)	(S$ psf/Gross Floor Area)
235 Jalan Besar	A 3-storey intermediate shophouse with a 4-storey rear extension	143.6	389	978 years wef 31 Jul 1940	18 Apr 2022	$7,688,000	$1,836
237 Jalan Besar	A 3-storey intermediate shophouse with a 4-storey rear extension	147.0	398	978 years wef 31 Jul 1940	7 Apr 2022	$8,600,000	$2,007
46/A Desker Road	A 2-storey intermediate shophouse with mezzanine	104.4	223	Freehold	30 Mar 2022	$4,600,000	$1,916
19 Lembu Road	A 2-storey intermediate shophouse with attic	105.5	214	Freehold	21 Mar 2022	$5,258,000	$2,283

Property	Type	Land Area (sq m)	Approximate Gross Floor Area (sq m)	Tenure	Contract Date	Consideration (S$)	(S$ psf/Gross Floor Area)
284 Jalan Besar	A 2-storey intermediate shophouse with attic	148.6	288	999 years wef 19 Sep 1919	25 Feb 2022	$5,900,000	$1,903
36 Sam Leong Road	A 2-storey with an attic intermediate shophouse with a 4-storey rear extension	125.4	329	999 years wef 11 Nov 1919	8 Feb 2022	$6,500,000	$1,835
75 Maude Road	A 3-storey intermediate shophouse	131.3	328	Freehold	9 Nov 2021	$6,300,000	$1,784

In comparison with the abovementioned sales evidence, we are of the opinion that the proposed gross development value is in line with market parameters on a rate per square foot of gross floor area basis and is achievable. The table below summarises our adopted gross realisation for the proposed development:

Total Gross Floor Area (sq m):	900.6
Total Gross Floor Area (sq ft):	9,694
Average Dollar rate per square foot of Gross Floor Area:	S$2,200
Total Gross Development Value:	$21,326,494
Adopted Gross Development Value:	**S$21,330,000**

This analysis is purely for the purpose of a guide and sets out one such permutation in support of our opinion of estimated market realisation.

4.2.2 Site Plan

The following forms our residual land valuation analysis of the Property for the proposed development. Potential purchasers of this style of property generally have a building background, alliance or fully understand the potential cash flow of the property. Cash flows over an extended period of time have limitations because of the number of variables, which are forecast to take effect at varying points of time in the future. However, we believe that potential purchasers in the current economic climate are conscious of security, debt levels, potential returns and duration of exposure.

As advised by Hwa Hong Corporation Limited, no development charge is payable for the proposed development.

The residual analysis demonstrates a flat percentage profit of 10% of gross development value.

Our residual land calculation is as follows:

Material Date of Valuation: 30 April 2022

RESIDUAL METHOD -
DEVELOPMENT SITE KNOWN AS LOTS 2706N & 2847M OF TOWN SUBDIVISION 17 AT JALAN BESAR, SINGAPORE

Proposed Development :	Proposed 2 units of 4-storey infill Type 1 envelope control building with a 6-storey rear extension. The 1st storey will be temporarily used as a restaurant and upper floors will be used as offices.	
Total Site Area :	300.1 sq m	
Plot Ratio :	3.0	
Proposed Gross Floor Area, GFA :	900.59 sq m	9,694 sq ft
Proposed Efficiency :	80.6%	
Proposed Net Floor Area :	725.99 sq m	7,814 sq ft
Remaining Construction Period (as advised) :	9 month	

I GROSS DEVELOPMENT VALUE (GDV)

						S$	
Gross Floor Area							
9,694 sq ft	@	average	S$2,200	psf	=	21,330,000	*
Less:							
Developer's profit	@	10.00%	of GDV		=	2,133,000	
Marketing expenses	@	1.00%	of GDV		=	213,300	
(i) GST on marketing expenses	@	0.00%			=	-	
						18,983,700	

II DEVELOPMENT COST

(a) Construction cost (as advised) fo 9,694 sq ft	@	S$394	psf	=	3,819,635
(b) Contingencies	@	2.00%	of (a)	=	76,393
(c) Professional Fees (as advised)	@	9.71%	of (a)	=	371,000
(i)(d) GST	@	0.00%	of (a+b+c)	=	-
(ii)(e) Interest	@	3.50%	of (a+b+c+d)	=	56,670
(f) Miscellaneous Expenses	@	1.00%	of (a+b+c+d+e)	=	43,237
					4,366,934

III RESIDUAL LAND VALUE (I-II) 14,616,766
(BEFORE ACQUISITION/HOLDING COST/PROPERTY TAX)

Less:					
(iii) Land Holding Cost	@	3.50%	=	363,803
(iv) Property Tax	@	10.00%	=	52,189
Acquisition Cost (stamp duty / legal fees)	@	3.25%	=	446,998
(i) GST on legal fees of 0.25%	@	0.00%	=	-
			Land Value	13,753,776
			say	**$ 13,800,000**

Unit Land Value per Plot Ratio reflected over Gross Floor Area of 9,694 sq ft: S$1,424 psf

* Number has been rounded off

(i) Assuming Input GST = Output GST

(ii) Based on the remaining construction period (as advised) of 9 months and financing at 3.5% p.a. for say half that period (assuming progress payment).

(iii) Land holding cost for 9 months but say take 100% holding cost.

(iv) Property tax at 5% of freehold capital value at 10% for 9 months.

This analysis is purely for the purpose of a guide and sets out one such permutation in support of our opinion of estimated market realisation.

4.3 Valuation Summary

Having considered the prevailing market conditions and other relevant factors, we estimate the market value as at 30 April 2022 of **DEVELOPMENT SITES KNOWN AS LOTS 2706N & 2847M OF TOWN SUBDIVISION 17 AT JALAN BESAR, SINGAPORE** and the gross realisation for the proposed development to be as follows:-

Proposed Gross Floor Area, GFA (sq m):	900.6
Proposed Gross Floor Area, GFA (sq ft):	9,694
Proposed Net Floor Area (sq m):	726.0
Proposed Net Floor Area (sq ft):	7,814
Dollar rate per square metre of Gross Floor Area:	S$23,681
Dollar rate per square foot of Gross Floor Area:	S$2,200
Adopted Gross Development Value (GDV):	**S$21,330,000**
Market Value of Development Site, Adopt: *	**S$13,800,000**
Site Value (S$ per sq m Gross Floor Area):	S$15,323
Site Value (S$ per sq ft Gross Floor Area):	S$1,424
Construction Cost incurred as at 30 April 2022 (rounded):	S$1,440,000
Market Value of Development Site including Construction Cost Incurred as at 30 April 2022:	**S$15,240,000**

* No development charge is payable, as advised by Hwa Hong Corporation Limited.

Yours faithfully
CBRE PTE. LTD.

LI HIAW HO
DipUrbVal (Auck) SNZPI FSISV
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Assumptions, Disclaimers, Limitations & Qualifications

Reliance:	This valuation is strictly and only for the use of the Reliant Party(ies) and for the Purpose specifically stated. Unless otherwise stated in the report, the Client/Instructing Party(ies) is deemed to be the Reliant Party(ies).
Confidentiality:	Any valuation service is confidential as between CBRE and the Reliant Party(ies) as specifically stated in the valuation advice/report.
Transmission:	Only an original valuation report received by the Reliant Party(ies) directly from CBRE without any third party intervention can be relied upon.
Restriction:	No responsibility is accepted or assumed to any third party who may use or rely on the whole or any part of the content of this valuation.
CBRE does not Assign Valuations:	We do not assign valuations. If the Instructing Party(ies) has not determined the Reliant Party(ies) and Purpose details by the time of report finalisation, the report will be addressed and issued to the Instructing Party(ies) for Financial Reporting purposes in PDF format only. Once the Reliant Party(ies) and Purpose details have been advised to us, the report will be re-addressed and issued to the Reliant Party(ies). This additional service may incur an additional fee.
Copyright:	Neither the whole nor any part of the content of this valuation may be published in any document, statement, circular or otherwise by any party other than CBRE, nor in any communication with any third party, without the prior written approval from CBRE, and subject to any conditions determined by CBRE, including the form and context in which it is to appear.
Future Change in Value:	All valuations are current as at the date of valuation only. The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE does not accept liability for losses arising from subsequent changes in value.
Future Matters:	To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. CBRE does not warrant that such statements are accurate or correct.
Reliance Window:	Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability, nor should the valuation be relied upon, after the expiration of 3 months from the date of valuation, or such earlier date if the Reliant Party(ies) becomes aware of any factors that may have an effect on the valuation and has not disclosed such information to CBRE.
Matters which affect or may affect the valuation:	If the Reliant Party(ies) become aware of any matters which affect or may affect the valuation, then CBRE must be advised of those matters, and reliance must not be placed on the valuation under any circumstance.
Valuation Analyses:	CBRE employs industry recognised valuation methodologies in estimating the value of a property, having regard to the definition of market value and market based evidence. The result is the best estimate of value CBRE can produce, but it is an estimate and not a guarantee, and it is fully dependent upon the accuracy of the assumptions as to income, expenses, and market conditions. These valuation methodologies use market derived assumptions (including rents, yields and discount rates) obtained from analysed transactions. We have not independently verified market information, nor adopted it as our own, nor can we comment on or accept its reliability. The Reliant Party(ies) accepts the risk that if any of the unverified information/advice provided by others and referred to in our valuation is incorrect, then this may have an effect on the valuation. (Refer to Information Supplied by Others.)
Prudent Lending Clause:	Our valuation will be provided on the assumption that the Reliant Party(ies) may rely on the valuation for First Mortgage Security purposes, and the Reliant Party(ies) complies with its own lending guidelines as well as prudent finance industry lending practices, and considers all prudent aspects of credit risks for the potential borrower, including the borrower's ability to service and repay any mortgage loan. The valuation will be provided on the assumption that the Reliant Party(ies) will provide mortgage financing at a conservative and prudent loan to value ratio. No responsibility will be accepted for this valuation nor should any reliance be placed on this valuation if the Reliant Party(ies) rely solely upon this valuation to advance any loan.
Property Title	We have conducted a brief title search only. We have therefore not perused the original title/lease documentation. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein.
Liens/Caveats:	We have disregarded the presence of any mortgage or other financial liens, or any caveats pertaining to the property.
Unregistered Interests:	We have assumed that there are no unregistered interests or interests not captured by the applicable Regulatory Authority in the country which services are to be carried out which may affect market value. In the event that the Reliant Party(ies) becomes aware of any further or pending easements, encumbrances or unregistered interests, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Planning Information:	It is assumed that information relating to town planning as reflected on the current Singapore Master Plan is accurate. In the event that a legal requisition is obtained and the information therein is found to be materially different to the town planning information detailed within this report, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation. We were not advised of any road widening or other adverse planning proposals affecting the property. However, in the event that a search is undertaken which reveals that the property is affect by public scheme(s), we should be consulted to reassess any effect on the value stated herein.

Certificate of Occupancy & Use:	We have not sighted a copy of the Temporary Occupation Permit (TOP), Certificate of Fitness (COF), Certificate of Statutory Completion (CSC) or Temporary Occupation Licence (TOL) for the subject property(ies). Accordingly, our valuation assumes that the property(ies) complies with all requirements of the Local Government Body responsible for the issue of the said Certificate and that there are no outstanding matters, orders or requisitions.
Government Land & Rental Value:	Our valuation may rely upon the land rent and Annual Value (for property tax assessment), as at the date of valuation. These may differ substantially under further assessment, and may therefore impact on the outgoings and value of the property.
Property Development:	In the event that the information provided to us is inaccurate, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Measurement of Areas:	We have assumed that the floor areas have been calculated in accordance with the guidelines as contained in the Land Title Strata Act (LTSA). We recommend that a survey be undertaken to determine whether the areas provided differ from LTSA guidelines. In the event that there is a material variance in areas, we reserve the right to review our valuation as assessed herein.
Inclusions & Exclusions:	Our valuation includes those items that form part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the property, but excludes all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant) or are used in connection with the business/businesses carried on within the property.
Code on Accessibility in the Built Environment 2019:	The Code deals with discrimination against persons with disabilities in respect to access to premises as well as many other areas. Should there be any concern as to whether the property may have any shortcomings in respect to this Code, we recommend that expert advice be sought from professionals qualified in this area.
Condition & Repairs:	We have inspected the building. However, we advise that we have not carried out a structural survey nor tested any of the services or facilities and are therefore unable to state that these are free from defect. We advise that we have not inspected unexposed or inaccessible portions of the building and are therefore unable to state that these are free from rot, infestation, asbestos or other hazardous material. We have, however, viewed the general state of repair of the property and advised that we did not notice any obvious signs of structural defect or dilapidations. Furthermore, the property appears to be in reasonable condition having regard to its age and use unless otherwise stated. Our valuation assumes that a detailed report of the structure and service installations of the building would not reveal any defects requiring significant expenditure. Additionally, we assume that the building complies with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations.
Site Survey Not Provided:	We do not commission site surveys and a site survey has not been provided to us. We have assumed there are no encroachments by or on the property, and the Reliant Party(ies) should confirm this status by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Site Conditions:	We do not commission site investigations to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances. In the case of property which may have redevelopment potential, we proceed on the basis that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems (unless stated otherwise).
Site Contamination Risk:	We have assumed that the site is free of elevated levels of contaminants. Our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Asbestos Risk:	Unless otherwise noted, we have assumed that the improvements are free of asbestos and hazardous materials, or should these materials be present then they do not pose significant risk to human health, nor require immediate removal. We assume the site is free of subsoil asbestos and have made no allowance in our valuation for site remediation works. Our visual inspection is an inconclusive indicator of the actual condition/presence of asbestos/hazardous materials within the property. We make no representation as to the actual status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of the presence of any asbestos/hazardous materials on site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Extent of Our Investigations:	We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party(ies) to instruct further investigations where considered appropriate or where we recommend as necessary prior to reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Assumptions:	Assumptions are a necessary part of undertaking valuations. CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The Reliant Party(ies) accepts that the valuation contains certain specific assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.
Information Supplied by Others:	The valuation contains information which is derived from other sources. Unless otherwise specifically instructed by you and/or stated in the valuation, we have not independently verified that information, nor adopted it as our own, or accepted its reliability. The Reliant Party(ies) accepts the risk that if any of the unverified information/advice provided by others and referred to in the valuation is incorrect, then this may have an effect on the valuation.

1 Introduction

1.1 Instructions

We refer to written instructions received from Hwa Hong Corporation Limited to advise on the market value as at 30 April 2022 of 110 Paya Lebar Road, Oneten Paya Lebar, Singapore 409009 (the "Property").

1.2 Critical Assumptions

We made certain critical assumptions which collectively have a material impact upon our valuation. These are noted as follows:

- Our valuation takes into account the existing tenancy and occupational arrangement.
- Our valuation assumes that the use of the Property complies with the conditions of the Land Lease.
- Our valuation calculations include rental growth assumptions throughout a defined cash flow period. These assumptions have been based on prevailing economic and market conditions as at the date of valuation.

1.3 GST Assumptions

Unless otherwise stated, all financial information and valuation calculations and assessments in this report exclude GST.

1.4 Extension of Liability & Confidentiality

This report may only be relied upon by Hwa Hong Corporation Limited for determining the market value of the Property in connection with the voluntary conditional general offer for all the issued and paid-up ordinary shares in the share capital of Hwa Hong Corporation Limited and for inclusion in Hwa Hong Corporation Limited's circular in relation to the offer.

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

1.5 Market Value Definition

In accordance with the Singapore Institute of Surveyors and Valuers ("SISV") Valuation Standards and Practice Guidelines, the International Valuation Standards and as advocated by the Royal Institution of Chartered Surveyors (RICS), the definition of Market Value is as follows:

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

1.6 Valuer's Interest

We hereby certify that each of the valuer is authorised under law to practice as a valuer and has at least 13 years continuous experience in valuation and does not have a pecuniary interest that could conflict with the proper valuation of the Properties.

1.7 Qualifications

This valuation is prepared in accordance with the SISV Valuation Standards and Practice Guidelines. In addition, this valuation has been prepared in accordance with the latest editions of the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards and the IVSC International Valuation Standards (IVS) both effective from 31 January 2020, where appropriate.

This valuation report is provided subject to the assumptions, disclaimers, qualifications and limitations detailed throughout this report and to those included within the Assumptions, Disclaimers, Limitations & Qualifications section of this report.

1.8 Limitation of Liability

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

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

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

1.9 Heightened Market Volatility

We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility.

You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.

2 Site Details

2.1 Location

Situation: Bounded by Paya Lebar Road, Pan Island Expressway (PIE), Arumugam Road and Ubi Avenue 1.

Location: Oneten Paya Lebar is approximately 11 kilometres from the financial hub at Raffles Place and about 21 minutes' drive from the Singapore Changi Airport.

Surrounds: The immediate vicinity comprises industrial developments and HDB estates. Prominent industrial developments nearby include LTC Building A/B/C/D, Starhub Green, OSIM headquarters, Meiban Industrial Building, Eunos Industrial Estate, Paya Ubi Industrial Park, Ubi Techpark and AZ @ Paya Lebar, amongst many others. The Geylang East Swimming Complex and Singapore Basketball Centre are also located nearby.

Oneten Paya Lebar is less than 300 metres from one of the entry/exit points of Macpherson MRT Station. Bus and taxi services are also readily available along Paya Lebar Road and Ubi Avenue 2. Access to other parts of the island is enhanced via the proximity to Pan Island Expressway (CTE), Kallang-Paya Lebar Expressway (KPE) and other major arterial roads.

The following map indicates the position of the Property within Singapore:



2.2 Site & Services

Topography:	Generally flat and at access road level. Vehicular ingress/egress is via Arumugam Road.	
Site Area:	5,480.0 square metres.	
Street Frontages:	Arumugam Road:	75 metres (approx).
	Average depth:	76 metres (approx).
Services:	All typical services appear connected.	

2.3 Legal Details

Real Property Description

- The Property is legally known as Lot 3292K of Mukim 23 with a land area of 5,480.0 square metres.
- Estate in Fee Simple derived from Grant in Fee Simple 1500.

Registered Owner

- Singapore Warehouse Company (Private) Ltd.

Interest & Encumbrance

- The Property is mortgaged to DBS Bank Ltd.

Permitted Use

- As per the URA Written Permission dated 4 August 2014 (appended) and Lease Agreement dated 20 February 2013, the tenant has applied and obtained the approval to use the Property as a data centre, and for colocation and telecommunications services, with ancillary office use for the business of the tenant and not for any other purpose.

Public Scheme

- We have taken into account the Road Line Plan, Railway Protection Plan and Drainage Information Plan, all dated 9 November 2021, associated with the Property.

  We confirm that the value of the Property will not be affected by the above-mentioned.

  A copy of the Road Line Plan, Railway Protection Plan and Drainage Information Plan is appended in this valuation report.

2.4 Town Planning

Master Plan 2019:	"Business 1" with a plot ratio of 2.5.
Annual Value (AV):	S$4,587,000.
Property Tax:	10% of AV.
Existing Use:	Appears to conform.

3 Property Description

3.1 General Description

Oneten Paya Lebar is an 8-storey single-user hi-tech industrial development with a basement, completed circa 1980s and has since undergone addition and alteration (A&A) works in 2013 and 2021. The Property is currently used as a data centre.

As at the date of inspection (25 May 2022), the 1st storey's reception/waiting area is undergoing renovation work. As advised by the master tenant, BDX (Singapore) Pte Ltd, the work will be completed in June 2022.

Briefly, the accommodation within the Property generally comprises:-

Basement (converted from car park)

Pump rooms; make-up water tanks; sprinkler tank room; pump rooms and MDF room.

1st storey

Reception/waiting area; lift lobbies; data centre; ancillary office; security command room; stores; plant rooms; MDF rooms; switchrooms; toilet and loading/unloading platform.

2nd to 6th storeys

Lift lobbies; data centre; ancillary office; stores; M&E plant/pump rooms and toilet.

7th storey

Bare shell (since May 2022, as advised by the master tenant); lift lobbies and toilet.

8th storey

Lift lobbies; office areas and toilets.

Roof level

Lift lobbies; toilet; maintenance deck; cooling towers; VRV condensing units and M&E services.

Other improvements on the site include full height turnstiles; tarmacadam driveways; 12 surface car parking lots and a handicap lot. The site is demarcated by chain-linked on brick-walls perimeter fencing with a metal main/vehicular entrance gate.

The floor loading capacity and ceiling height of the Property are as follow:-

Level	Floor Loading Capacity	Ceiling Height
Basement	2.5 kN/m^2	3.1 m
1s	5 kN/m^2	5.3 – 6.1 m
2nd	15 kN/m^2	4.5 m
3rd to 8th	10 kN/m^2	4.5 m

Based on the information provided by Hwa Hong Corporation Limited and the URA Written Permission dated 11 October 2021 (appended), the Property has a gross floor area of 14,446.70 square metres and lettable floor area of 14,601.25 square metres.






3.1.1 Construction

Foundations:	Reinforced concrete footings and foundations.
Floors:	Reinforced concrete floor slabs.
Structure:	Reinforced concrete frame with infill plastered brick-walls.
External Walls:	Brick-walls finished with cement plaster and emulsion paint finishes.
Windows/Doors:	Powder coated aluminium framed glass windows; glass sliding/swing doors, turnstiles, timber swing doors and roller shutters.
Roof:	Reinforced concrete flat roof with insulation and waterproofing system.

3.1.2 Internal Finishes

We have inspected basement, 1st storey, 5th storey, 7th storey and roof level of the Property on 25 May 2022. Our valuation assumes that the internal condition of the other floors is similar to the floors that we have inspected.

Floor finish comprises homogeneous tiles and carpet tiles to the reception/waiting areas and office areas; homogeneous tiles to the lift lobbies and toilets; raised floor system to the data centre areas; and bare concrete floor to the entire 7th storey (except for the lift lobbies and toilet). Internal walls are generally plastered with emulsion finishes, except for the toilets which are lined with homogeneous tiles. Ceiling over the accommodation is generally fitted with plaster ceiling boards with light fittings, air-conditioner diffusers, sprinkler heads, smoke detectors, speakers and surveillance cameras.

The premises is fitted-out with tenant's own finishes and fittings.














3.1.3 Services

Air Conditioning:	The building is fully air conditioned.
Fire Prevention:	The Property is fully fitted with an automatic fire alarm system, smoke detectors, sprinkler system and hose reel system. Fire extinguishers are also strategically located throughout the building.
Security Systems:	Surveillance cameras and closed circuit television are used to monitor various areas of the Property.
Amenities:	Toilets are provided throughout the Property. These facilities generally comprise homogeneous tiled floor and wall coverings, hand basins, toilet pedestals and wall mounted vanity mirrors.
Vertical Transport:	A passenger lift with loading capacity of 1,020 kilograms, a fireman's lift with loading capacity of 1,020 kilograms, two cargo lifts each with loading capacity of 2,500 kilograms and reinforced concrete staircases. All the lifts are serving 1st to roof level.
Loading/unloading:	There are a total of 3 loading/unloading bay provided within Level 1 of the Property.

3.2 Condition & Repair

We have inspected basement, 1st storey, 5th storey, 7th storey and roof level of the Property on 25 May 2022. Internal condition of the inspected areas appears to be good having regard to its age. Our valuation assumes that the internal condition of the other (uninspected) floors is similar to the floors that we have inspected.

The external elevations appear to be in sound repair, and the internal areas are clean and well maintained.

We have not been provided with any reports in respect of the structural integrity or condition of the plant & machinery or service facilities within the property. Our approach to valuation by necessity assumes that no significant capital expenditure is required in respect of the building or facilities contained therein at the present time.

4 Occupational Details

4.1 Overview

We have been provided with a copy of the signed lease agreement indicating that the building is leased to a single master lessee. We detail below the salient details of this agreement.

The following table summarises the tenant profile of the property:

Lease Summary		
Lessee:	BDX (Singapore) Pte Ltd	
Tenancy Area - NLA (sqm):	14,601.25	
Lease Term (yrs):	15	
Option Period/s (yrs):	5+5	
Commencement Date:	27-Feb-13	
Expiry Date:	26-Feb-28	
Next Review:	27-Feb-23	
Rental (S$)	*pa*	*psm/mth*
Base Rent	4,950,668	28.25
Service Charge		
Gross Rent	4,950,668	28.25
Outgoings:	The tenant is required to pay all outgoing expenses including internal and external property maintenance, landscaping, utility costs, repairs and maintenance, security and insurance against public liability, while the landlord is responsible for property tax, costs and expenses of all repairs of a structural nature and lease management fees.	
Rent Reviews:	The contracted rent for Year 1 is S$2,844,432 per annum. Rent payable increased to S$3,930,000 per annum on the commencement of Year 2 (by about 38.2%) and subsequently escalated at 8% on the commencement of Years 4, 7, 10 and 13.	
Use:	Data centre	
Comments:	The tenant must pay to and maintain with the landlord at all times during the term a Security Deposit equivalent to 4 months' rent.	

General Comment

We have assumed that information supplied to us relating to matters such as lease provisions, rental income and outgoings which appears realistic is accurate.

We have not been provided information in respect of any such side agreements in existence which would alter the terms of the lease agreement in respect of the Property. In the event that a full due diligence report reveals the existence of such agreements, the advice provided herein will require revision.

5 Valuation Rationale

5.1 Introduction

In arriving at our opinion of value, we have considered relevant general and economic factors and have also investigated a range of recent sales that have occurred within the Singapore market.

We made certain critical assumptions which collectively have a material impact upon our valuation. These are noted as follows:

- Our valuation takes into account the existing tenancy and occupational arrangement.
- Our valuation assumes that the use of the Property complies with the conditions of the Land Lease.
- Our valuation calculations include rental growth assumptions throughout a defined cash flow period. These assumptions have been based on prevailing economic and market conditions as at the date of valuation.

5.2 Valuation Methodology

A variety of approaches have been considered and we detail below our principal approaches to value.

5.2.1 Income Capitalisation Method

In undertaking our valuation analysis, we have considered an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) has been adjusted to reflect anticipated operating costs to produce a net income on a fully leased basis.

The adopted fully leased net income is capitalised over the remaining term of the lease from the valuation date at an appropriate investment yield. The adopted yield reflects the nature, location and tenancy profile of the property together with current market investment criteria.

Thereafter, various capital adjustments are made, where appropriate, to the calculated core value.

Our full valuation calculations are detailed overleaf.

INCOME CAPITALISATION METHOD

			Net Lettable Area (sq m)	Passing Rent (S$)	Market Rent (S$)
Income	Hi-Tech		14,601.25	4,950,668	5,092,191
	Vacant		-		
GROSS PASSING RENTAL			**14,601.25**	**4,950,668**	**5,092,191**
Other Income				-	-
GROSS PASSING INCOME			**14,601.25**	**4,950,668**	**5,092,191**
Outgoings	Operating Expenses	(Tenant's liability)		-	-
	Property Tax			(509,219)	(509,219)
	Lease Management Fee			(49,507)	(49,507)
				(558,726)	(558,726)
NET PASSING INCOME				**4,391,942**	**4,533,465**
CAPITALISED VALUE		Capitalise In Perpetuity @			4.35%
				100,964,192	**104,217,595**
Capital Adjustments	Present Value of Capitalised Rental Reversions			2,538,622	-
	Present Value of Rental Overage/Underage			-	(714,780)
	Capital Expenditure (Tenant's liability)			-	-
				2,538,622	(714,780)
				103,502,814	103,502,815
		Adopt		**103,500,000**	**103,500,000**

Sensitivity Analysis	
4.10%	109,900,000
4.35%	103,500,000
4.60%	97,800,000

Based on the above assumptions, our income capitalisation method calculations indicate a value of S$103,500,000.

5.2.2 Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, rental growth, sale price of the property at the end of the investment horizon, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the commencement of the eleventh year of the cash flow.

The analysis proceeds on a before tax basis, and whilst we have not qualified any potential taxation benefits associated with the property, we are of the view that these are an issue which a prospective purchaser would reflect in its consideration.

The analysis is predicted on the assumption of a cash purchase. No allowance for interest and other funding costs have been made.

We have discounted the income at each year of the cash flow on a midpoint basis which assumes an income of six months in arrears and six months in advance.

We have investigated the current market requirements for an investment return over a 10-year period. We hold regular discussions with investors active in the market, both as purchasers and owners. From this evidence, we conclude that market expectations are currently in the order of 7.00% to 8.00%.

Our discounted cash flow analysis is detailed below.

DISCOUNTED CASH FLOW ANALYSIS

Valuation Period	1	2	3	4	5	6	7	8	9	10	11
Year Beginning	30-Apr-22	30-Apr-23	30-Apr-24	30-Apr-25	30-Apr-26	30-Apr-27	30-Apr-28	30-Apr-29	30-Apr-30	30-Apr-31	30-Apr-32
Year Ending	29-Apr-23	29-Apr-24	29-Apr-25	29-Apr-26	29-Apr-27	29-Apr-28	29-Apr-29	29-Apr-30	29-Apr-31	29-Apr-32	29-Apr-33
Growth Forecast											
CPI Forecast	2.95%	1.35%	1.35%	1.55%	1.70%	1.70%	1.70%	1.70%	1.85%	2.00%	2.00%
Average compound CPI					5yrs	1.78%				10yrs	1.78%
Market Rent Growth	1.50%	2.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Average compound market rental growth					5yrs	2.50%				10yrs	2.75%
Sundry/Other Income Growth	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Average compound market rental growth					5yrs	2.00%				10yrs	2.00%

Purchase Considerations			**Target Internal Rate of Return**	
Purchase Price	100,300,000		I R R	PRICE
Stamp Duty	3,009,000	3.00%	7.00%	$100,260,000
Legals/Due Dilligence	250,750	0.25%		
	103,559,750		**ADOPT:**	**$100,300,000**
Selling Considerations				
Terminal Capitalisation Rate		4.35%	Year 1Cashflow Yield	4.39%
Agents Commission		0.50%	Income %	33.94%
Legal Fees		0.125%	Terminal Value %	66.06%

Sensitivity Analysis

		Terminal Cap		
		4.10%	**4.35%**	**4.60%**
Internal	**6.75%**	$106,300	$102,200	$98,600
Rate of	**7.00%**	$104,200	$100,300	$96,800
Return	**7.25%**	$102,200	$98,400	$94,900

Cashflow Criteria				Assumed New Lease Term (yrs) / New Lease Reviews (pa)		5		Leasing Commission (renewals) / Leasing Commission (new leases)			0.5 mth / 1.0 mth
Renewal Probability	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Expiry for year (sqm)						14,601					14,601
Leaseup (mths)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Incentive (mth)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Capital Expenditure (% Total Income)						3%					
Future Building Refurbishment Allowance			Year 11	$30 psm							

CASHFLOW FORECAST (All figures shown as $1,000's)											
Tenant & Other Income											
Base Rental	4,951	4,951	5,018	5,347	5,347	5,528	6,416	6,416	6,416	6,416	6,461
Service Charge											
Other Income											
Total Income	**4,951**	**4,951**	**5,018**	**5,347**	**5,347**	**5,528**	**6,416**	**6,416**	**6,416**	**6,416**	**6,461**
Less											
Operating Expenses (Tenant's liability)											
Property Tax	495	495	502	535	535	553	642	642	642	642	646
Lease Management Fee	50	50	50	53	53	55	64	64	64	64	65
NET INCOME	**4,406**	**4,406**	**4,466**	**4,759**	**4,759**	**4,920**	**5,710**	**5,710**	**5,710**	**5,710**	**5,750**
Capital Adjustments											
Letting Up Allowances						241					250
Leasing Com. & Stamp Duty						307					320
Future Incentive Provisions						535					557
Capital Expenditure (% Income)						166					
Future Refurbishment Allowance											523
Selling Considerations										Sale Price	135,365
										Agent's Commission	-677
										Legal Fees	-169
NET CASH FLOW	**4,406**	**4,406**	**4,466**	**4,759**	**4,759**	**3,672**	**5,710**	**5,710**	**5,710**	**5,710**	**134,519**
Running Yield (Cash Flow)	4.39%	4.39%	4.45%	4.74%	4.74%	3.66%	5.69%	5.69%	5.69%	5.69%	

The derived value of S$100,300,000 reflects a terminal capitalisation rate of 4.50% and an internal rate of return of 7.00%. The internal rate of return appears realistic when compared to returns available from alternative forms of investment and indicates a reasonable premium over the prevailing 10-year bond rate which traded between 1.30% and 2.53% during the last 12 months. This margin reflects the risk premium inherent with direct property investment and its illiquidity compared to other forms of investment.

5.2.3 Direct Comparison Method

Direct Comparison Method involves the analysis of comparable sales and adjustments are made to reflect the differences in location, tenure, size, age and condition of the development, facilities within the development, standard of finishes and fittings as well as date of transaction, amongst other factors which affect value.

This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market.

The following are a cross-section of the sales evidence that we have taken into consideration in arriving at our assessment of the value of the Property.

Sales Evidence

Property	Type	Land Area (sq m)	Gross Floor Area (sq m)	Tenure	Transaction Date	Price (S$)	S$psf
67 Ubi Avenue 1 Starhub Green	7-storey hi-tech development with a basement, completed in 2008	14,813.6	41,236	60 years wef 10 Mar 1997	Jul 2021	$300,000,000	$676
27 Playfair Road	5-storey light industrial development completed circa early 2000s	673.9	1,682	Freehold	Apr 2021	$15,800,000	$873
30 Tai Seng Street Breadtalk IHQ	10-storey high-spec development completed circa early 2010s	6,722.3	23,124	30+30 years wef 1 Feb 2010	Mar 2021	$118,000,000	$474
190 Macpherson Road, Wisma Gulab	10-storey hi-spec development completed circa mid 1990s	5,070.3	15,565	Freehold	Jan 2020	$88,000,000	$525

Our direct comparison method indicates a value of S$111,100,000.

5.3 Valuation

Having considered the prevailing market conditions and other relevant factors, we estimate the market value as at 30 April 2022 of **110 PAYA LEBAR ROAD, ONETEN PAYA LEBAR, SINGAPORE 409009**, subject to the existing tenancy and occupational arrangement, to be **S$105,000,000/- (SINGAPORE DOLLARS: ONE HUNDRED AND FIVE MILLION ONLY).**

Yours faithfully
CBRE PTE. LTD.



LI HIAW HO
DipUrbVal (Auck) SNZPI FSISV
Appraiser's License No. AD041-2002445I



PHANG SIEW LING
(INSPECTING VALUER)
BSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2009650J

Assumptions, Disclaimers, Limitations & Qualifications

Reliance:	This valuation is strictly and only for the use of the Reliant Party(ies) and for the Purpose specifically stated. Unless otherwise stated in the report, the Client/Instructing Party(ies) is deemed to be the Reliant Party(ies).
Confidentiality:	Any valuation service is confidential as between CBRE and the Reliant Party(ies) as specifically stated in the valuation advice/report.
Transmission:	Only an original valuation report received by the Reliant Party(ies) directly from CBRE without any third party intervention can be relied upon.
Restriction:	No responsibility is accepted or assumed to any third party who may use or rely on the whole or any part of the content of this valuation.
CBRE does not Assign Valuations:	We do not assign valuations. If the Instructing Party(ies) has not determined the Reliant Party(ies) and Purpose details by the time of report finalisation, the report will be addressed and issued to the Instructing Party(ies) for Financial Reporting purposes in PDF format only. Once the Reliant Party(ies) and Purpose details have been advised to us, the report will be re-addressed and issued to the Reliant Party(ies). This additional service may incur an additional fee.
Copyright:	Neither the whole nor any part of the content of this valuation may be published in any document, statement, circular or otherwise by any party other than CBRE, nor in any communication with any third party, without the prior written approval from CBRE, and subject to any conditions determined by CBRE, including the form and context in which it is to appear.
Future Change in Value:	All valuations are current as at the date of valuation only. The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE does not accept liability for losses arising from subsequent changes in value.
Future Matters:	To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. CBRE does not warrant that such statements are accurate or correct.
Reliance Window:	Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability, nor should the valuation be relied upon, after the expiration of 3 months from the date of valuation, or such earlier date if the Reliant Party(ies) becomes aware of any factors that may have an effect on the valuation and has not disclosed such information to CBRE.
Matters which affect or may affect the valuation:	If the Reliant Party(ies) become aware of any matters which affect or may affect the valuation, then CBRE must be advised of those matters, and reliance must not be placed on the valuation under any circumstance.
Valuation Analyses:	CBRE employs industry recognised valuation methodologies in estimating the value of a property, having regard to the definition of market value and market based evidence. The result is the best estimate of value CBRE can produce, but it is an estimate and not a guarantee, and it is fully dependent upon the accuracy of the assumptions as to income, expenses, and market conditions. These valuation methodologies use market derived assumptions (including rents, yields and discount rates) obtained from analysed transactions. We have not independently verified market information, nor adopted it as our own, nor can we comment on or accept its reliability. The Reliant Party(ies) accepts the risk that if any of the unverified information/advice provided by others and referred to in our valuation is incorrect, then this may have an effect on the valuation. (Refer to Information Supplied by Others.)
Prudent Lending Clause:	Our valuation will be provided on the assumption that the Reliant Party(ies) may rely on the valuation for First Mortgage Security purposes, and the Reliant Party(ies) complies with its own lending guidelines as well as prudent finance industry lending practices, and considers all prudent aspects of credit risks for the potential borrower, including the borrower's ability to service and repay any mortgage loan. The valuation will be provided on the assumption that the Reliant Party(ies) will provide mortgage financing at a conservative and prudent loan to value ratio. No responsibility will be accepted for this valuation nor should any reliance be placed on this valuation if the Reliant Party(ies) rely solely upon this valuation to advance any loan.
Property Title	We have conducted a brief title search only. We have therefore not perused the original title/lease documentation. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein.
Liens/Caveats:	We have disregarded the presence of any mortgage or other financial liens, or any caveats pertaining to the property.
Unregistered Interests:	We have assumed that there are no unregistered interests or interests not captured by the applicable Regulatory Authority in the country which services are to be carried out which may affect market value. In the event that the Reliant Party(ies) becomes aware of any further or pending easements, encumbrances or unregistered interests, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Planning Information:	It is assumed that information relating to town planning as reflected on the current Singapore Master Plan is accurate. In the event that a legal requisition is obtained and the information therein is found to be materially different to the town planning information detailed within this report, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation. We were not advised of any road widening or other adverse planning proposals affecting the property. However, in the event that a search is undertaken which reveals that the property is affect by public scheme(s), we should be consulted to reassess any effect on the value stated herein.

Certificate of Occupancy & Use:	We have not sighted a copy of the Temporary Occupation Permit (TOP), Certificate of Fitness (COF), Certificate of Statutory Completion (CSC) or Temporary Occupation Licence (TOL) for the subject property(ies). Accordingly, our valuation assumes that the property(ies) complies with all requirements of the Local Government Body responsible for the issue of the said Certificate and that there are no outstanding matters, orders or requisitions.
Government Land & Rental Value:	Our valuation may rely upon the land rent and Annual Value (for property tax assessment), as at the date of valuation. These may differ substantially under further assessment, and may therefore impact on the outgoings and value of the property.
Property Development:	In the event that the information provided to us is inaccurate, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Measurement of Areas:	We have assumed that the floor areas have been calculated in accordance with the guidelines as contained in the Land Title Strata Act (LTSA). We recommend that a survey be undertaken to determine whether the areas provided differ from LTSA guidelines. In the event that there is a material variance in areas, we reserve the right to review our valuation as assessed herein.
Inclusions & Exclusions:	Our valuation includes those items that form part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the property, but excludes all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant) or are used in connection with the business/businesses carried on within the property.
Code on Accessibility in the Built Environment 2019:	The Code deals with discrimination against persons with disabilities in respect to access to premises as well as many other areas. Should there be any concern as to whether the property may have any shortcomings in respect to this Code, we recommend that expert advice be sought from professionals qualified in this area.
Condition & Repairs:	We have inspected the building. However, we advise that we have not carried out a structural survey nor tested any of the services or facilities and are therefore unable to state that these are free from defect. We advise that we have not inspected unexposed or inaccessible portions of the building and are therefore unable to state that these are free from rot, infestation, asbestos or other hazardous material. We have, however, viewed the general state of repair of the property and advised that we did not notice any obvious signs of structural defect or dilapidations. Furthermore, the property appears to be in reasonable condition having regard to its age and use unless otherwise stated. Our valuation assumes that a detailed report of the structure and service installations of the building would not reveal any defects requiring significant expenditure. Additionally, we assume that the building complies with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations.
Site Survey Not Provided:	We do not commission site surveys and a site survey has not been provided to us. We have assumed there are no encroachments by or on the property, and the Reliant Party(ies) should confirm this status by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Site Conditions:	We do not commission site investigations to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances. In the case of property which may have redevelopment potential, we proceed on the basis that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems (unless stated otherwise).
Site Contamination Risk:	We have assumed that the site is free of elevated levels of contaminants. Our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Asbestos Risk:	Unless otherwise noted, we have assumed that the improvements are free of asbestos and hazardous materials, or should these materials be present then they do not pose significant risk to human health, nor require immediate removal. We assume the site is free of subsoil asbestos and have made no allowance in our valuation for site remediation works. Our visual inspection is an inconclusive indicator of the actual condition/presence of asbestos/hazardous materials within the property. We make no representation as to the actual status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of the presence of any asbestos/hazardous materials on site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Extent of Our Investigations:	We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party(ies) to instruct further investigations where considered appropriate or where we recommend as necessary prior to reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Assumptions:	Assumptions are a necessary part of undertaking valuations. CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The Reliant Party(ies) accepts that the valuation contains certain specific assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.
Information Supplied by Others:	The valuation contains information which is derived from other sources. Unless otherwise specifically instructed by you and/or stated in the valuation, we have not independently verified that information, nor adopted it as our own, or accepted its reliability. The Reliant Party(ies) accepts the risk that if any of the unverified information/advice provided by others and referred to in the valuation is incorrect, then this may have an effect on the valuation.

1 Introduction

1.1 Instructions

We refer to written instructions received from Hwa Hong Corporation Limited to advise on the market values as at 30 April 2022 of 36 unsold units within Orchard Medical Specialists Centre at 304 Orchard Road, Level 5, Lucky Plaza, Singapore 238863 (the "Properties").

1.2 Critical Assumptions

We made certain critical assumption which has a material impact upon our valuation. This is noted as follows:

- We have valued the Properties based on their existing use and condition as at date of inspection (24 May 2022), with vacant possession, and have not taken into account the potential value arising from the possibility of an en-bloc sale of the whole development, if any.
- We have inspected #05-21, #05-26, #05-35 and #05-46 on 24 May 2022. Internal of the inspected units appears to be in average condition. We have assumed that the internal condition of the other units is similar to the units that we have inspected.

1.3 GST Assumptions

Unless otherwise stated, all financial information and valuation calculations and assessments in this report exclude GST.

1.4 Extension of Liability & Confidentiality

This report may only be relied upon by Hwa Hong Corporation Limited for determining the market value of the Properties in connection with the voluntary conditional general offer for all the issued and paid-up ordinary shares in the share capital of Hwa Hong Corporation Limited and for inclusion in Hwa Hong Corporation Limited's circular in relation to the offer.

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

1.5 Market Value Definition

In accordance with the Singapore Institute of Surveyors and Valuers ("SISV") Valuation Standards and Practice Guidelines, the International Valuation Standards and as advocated by the Royal Institution of Chartered Surveyors (RICS), the definition of Market Value is as follows:

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

1.6 Valuer's Interest

We hereby certify that each of the valuer is authorised under law to practice as a valuer and has at least 13 years continuous experience in valuation and does not have a pecuniary interest that could conflict with the proper valuation of the Properties.

1.7 Qualifications

This valuation is prepared in accordance with the SISV Valuation Standards and Practice Guidelines. In addition, this valuation has been prepared in accordance with the latest editions of the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards and the IVSC International Valuation Standards (IVS) both effective from 31 January 2020, where appropriate.

This valuation report is provided subject to the assumptions, disclaimers, qualifications and limitations detailed throughout this report and to those included within the Assumptions, Disclaimers, Limitations & Qualifications section of this report.

1.8 Limitation of Liability

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

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

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

1.9 Heightened Market Volatility

We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility.

You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.

2 Site Details

2.1 Location

Situation: Bounded by Orchard Road, Mount Elizabeth and Nutmeg Road, within the Orchard Road shopping and hotel belt.

Location: Lucky Plaza is approximately 4 kilometres from the financial hub at Raffles Place and about 30 minutes' drive from the Singapore Changi Airport.

Surrounds: The immediate vicinity comprises commercial buildings, hotels and private luxurious apartment/condominium developments. Prominent commercial developments nearby include Tong Building, The Paragon, Ion Orchard, Wheelock Place, Wisma Atria, Tang Plaza, Ngee Ann City and Takashimaya Shopping Centre, amongst many others.

Lucky Plaza is less than 200 metres from one of the entry/exit points of Orchard MRT Station. Bus and taxi services are also readily available within the vicinity. Access to other parts of the island is enhanced via the proximity to Central Expressway (CTE) and other major arterial roads.

The following map indicates the position of Lucky Plaza within Singapore:



2.2 Site & Services

Topography: Generally flat and at access road level. Vehicular ingress/egress is via Nutmeg Road.

Services: All typical services appear connected.

2.3 Legal Details

Real Property Description

- Legal description and strata floor area of the Properties are as follow:-

No	Unit	Lot Number (of Town Subdivision 27)	Strata Floor Area (sq m)
1	#05-03	U6070A	94
2	#05-05	U6072N	72
3	#05-06	U6073X	52
4	#05-07	U6074L	51
5	#05-08	U6075C	56
6	#05-09	U6076M	57
7	#05-10	U6077W	85
8	#05-11	U6078V	46
9	#05-12	U6079P	114
10	#05-13	U6080W	103
11	#05-14	U6081V	81
12	#05-15	U6082P	77
13	#05-16	U6083T	119
14	#05-17	U6084A	64
15	#05-18	U6085K	79
16	#05-20	U6087X	57
17	#05-21	U6088L	69
18	#05-23	U6090X	112
19	#05-24	U6091L	56
20	#05-26	U6093M	64
21	#05-28	U6095V	57
22	#05-33	U6100X	127
23	#05-34	U6101L	55
24	#05-35	U6102C	55
25	#05-41	U6108A	55
26	#05-42	U6109K	55
27	#05-45	U6112K	61
28	#05-46	U6113N	60
29	#05-47	U6114X	61
30	#05-48	U6115L	191
31	#05-49	U6116C	117
32	#05-50	U6117M	101
33	#05-53	U6120M	77
34	#05-54	U6121W	86
35	#05-55	U6122V	87
36	#05-56	U6123P	102
TOTAL			**2,855**

- Estate in Fee Simple derived from Grant 34.

Registered Owner

- Hong Property Investments Pte Ltd.

Interest & Encumbrance

- The Properties are subject to Restrictive Covenants contained in Restriction I/50226C.

2.4 Town Planning

Master Plan 2019:	"Commercial" with a plot ratio of 6.3.
Annual Value (AV):	S$2,757,200.
Property Tax:	10% of AV.
Existing Use:	Appears to conform.

3 Property Description

3.1 General Description

Lucky Plaza is a 30-storey mixed commercial-cum-residential development which comprises shops from the basement to 6th storey, carpark from 4th storey to 8th storey, and apartments from the 9th to 30th storey. The development was completed circa early 1980s.

Vertical access within Lucky Plaza is via escalators, passenger/service lifts and reinforced concrete staircases. The development is equipped with fire protection and central air-conditioning systems. Toilets are also provided on every floor.

The Properties that form this valuation comprises 36 unsold units within Orchard Medical Specialists Centre (OMSC) located on the 5th storey of Lucky Plaza. The whole 5th storey is devoted for medial centre use. As advised by Hwa Hong Corporation Limited, 22 out of these 36 units are currently tenanted.

The typical accommodation within each of the Properties comprises mainly reception/waiting area and partitioned treatment/consultation rooms for the tenanted units, and bare shell for the vacant units.

The Properties have a floor-to-ceiling board height (as measured on-site) of approximately 2.7 metres.









3.1.1 Construction

Foundations: Reinforced concrete footings and foundations.

Floors: Reinforced concrete floor slabs.

Structure:	Reinforced concrete frame with infill plastered brick-walls.
External Walls:	Brick-walls finished with cement plaster/emulsion paint, granite tiles and glass curtain walls.
Windows/Doors:	Fixed glass panels; frameless glass swing/sliding doors.
Roof:	Reinforced concrete flat roof with insulation and waterproofing system.

3.1.2 Internal Finishes

We have inspected 4 vacant units, namely #05-21, #05-26, #05-35 and #05-46, on 24 May 2022.

As advised by Hwa Hong Corporation Limited, the individual tenanted units are typically fitted-out with tenant's finishes and fittings.

Floor finish of the inspected units comprises tiled flooring throughout. Internal walls are generally plastered with emulsion paint finishes. Ceiling over the accommodation is generally fitted with plaster ceiling boards with light fittings, air-conditioner diffusers and sprinkler heads.

The main accommodation is cooled by centralised air-conditioning system.

#05-21





#05-26





#05-35





#05-46





3.2 Condition & Repair

We have inspected the Properties on 24 May 2022. Internal condition of the inspected units (#05-21, #05-26, #05-35 and #05-46) appears to be average having regard to the age of the development. We have assumed that the internal condition of the other units is similar to the units that we have inspected.

We have not been provided with any reports in respect of the structural integrity or condition of the service facilities within the Properties. Hence, we are unable to comment on the structural condition.

4 Valuation Rationale

4.1 Introduction

In arriving at our opinion of value, we have considered relevant general and economic factors and have also investigated a range of recent sales that have occurred within the Singapore market. We made certain critical assumption which has a material impact upon our valuation. This is noted as follows:

- We have valued the Properties based on their existing use and condition as at date of inspection (24 May 2022), with vacant possession, and have not taken into account the potential value arising from the possibility of an en-bloc sale of the whole development, if any.
- We have inspected #05-21, #05-26, #05-35 and #05-46 on 24 May 2022. Internal of the inspected units appears to be in average condition. We have assumed that the internal condition of the other units is similar to the units that we have inspected.

4.2 Valuation Methodology

We have adopted Direct Comparison Method in arriving at the valuation of the Properties. This approach involves the analysis of arms-length comparable sales and adjustments are made to reflect the differences in location, floor level, floor area, age and condition, tenure as well as date of transaction, amongst other factors affecting value.

This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market.

The following are a cross-section of the sales evidence that we have taken into consideration in arriving at our assessment of the value of the Properties.

Sales Evidence

Property	Strata Floor Area (sq m)	Tenure	Contract Date	Consideration	(S$ psf)
160 Robinson Road #03-09 SBF Center	65.0	99 years wef 21 Dec 2000	21 Jan 2022	$2,150,000	$3,073
160 Robinson Road #04-03 SBF Center	65.0	99 years wef 21 Dec 2000	4 Oct 2021	$1,950,000	$2,787
304 Orchard Road #05-43 Lucky Plaza	65.0	Freehold	14 Sep 2021	$2,293,000	$3,277
304 Orchard Road #05-51 Lucky Plaza	153.0	Freehold	8 Feb 2021	$5,400,000	$3,279
12 Farrer Park Road #10-01 Farrer Square	362.0	99 years wef 19 Jul 2012	12 Jan 2021	$13,248,206	$3,400
12 Farrer Park Road #11-01 Farrer Square	294.0	99 years wef 19 Jul 2012	12 Jan 2021	$11,076,050	$3,500
304 Orchard Road #05-44 Lucky Plaza	60.0	Freehold	2 Dec 2019	$2,588,000	$4,007

4.3 Valuation

Having considered the prevailing market conditions and other relevant factors, we estimate the market values as at 30 April 2022 of **36 UNSOLD UNITS WITHIN ORCHARD MEDICAL SPECIALISTS CENTRE AT 304 ORCHARD ROAD, LEVEL 5, LUCKY PLAZA, SINGAPORE 238863** to be **S$122,910,000/- (SINGAPORE DOLLARS: ONE HUNDRED TWENTY-TWO MILLION NINE HUNDRED AND TEN THOUSAND ONLY).**

Yours faithfully
CBRE PTE. LTD.



LI HIAW HO
DipUrbVal (Auck) SNZPI FSISV
Appraiser's License No. AD041-2002445I



PHANG SIEW LING
(INSPECTING VALUER)
BSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2009650J

Assumptions, Disclaimers, Limitations & Qualifications

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Property Development:	In the event that the information provided to us is inaccurate, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Measurement of Areas:	We have assumed that the floor areas have been calculated in accordance with the guidelines as contained in the Land Title Strata Act (LTSA). We recommend that a survey be undertaken to determine whether the areas provided differ from LTSA guidelines. In the event that there is a material variance in areas, we reserve the right to review our valuation as assessed herein.
Inclusions & Exclusions:	Our valuation includes those items that form part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the property, but excludes all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant) or are used in connection with the business/businesses carried on within the property.
Code on Accessibility in the Built Environment 2019:	The Code deals with discrimination against persons with disabilities in respect to access to premises as well as many other areas. Should there be any concern as to whether the property may have any shortcomings in respect to this Code, we recommend that expert advice be sought from professionals qualified in this area.
Condition & Repairs:	We have inspected the building. However, we advise that we have not carried out a structural survey nor tested any of the services or facilities and are therefore unable to state that these are free from defect. We advise that we have not inspected unexposed or inaccessible portions of the building and are therefore unable to state that these are free from rot, infestation, asbestos or other hazardous material. We have, however, viewed the general state of repair of the property and advised that we did not notice any obvious signs of structural defect or dilapidations. Furthermore, the property appears to be in reasonable condition having regard to its age and use unless otherwise stated. Our valuation assumes that a detailed report of the structure and service installations of the building would not reveal any defects requiring significant expenditure. Additionally, we assume that the building complies with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations.
Site Survey Not Provided:	We do not commission site surveys and a site survey has not been provided to us. We have assumed there are no encroachments by or on the property, and the Reliant Party(ies) should confirm this status by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Site Conditions:	We do not commission site investigations to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances. In the case of property which may have redevelopment potential, we proceed on the basis that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems (unless stated otherwise).
Site Contamination Risk:	We have assumed that the site is free of elevated levels of contaminants. Our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Asbestos Risk:	Unless otherwise noted, we have assumed that the improvements are free of asbestos and hazardous materials, or should these materials be present then they do not pose significant risk to human health, nor require immediate removal. We assume the site is free of subsoil asbestos and have made no allowance in our valuation for site remediation works. Our visual inspection is an inconclusive indicator of the actual condition/presence of asbestos/hazardous materials within the property. We make no representation as to the actual status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of the presence of any asbestos/hazardous materials on site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Extent of Our Investigations:	We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party(ies) to instruct further investigations where considered appropriate or where we recommend as necessary prior to reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Assumptions:	Assumptions are a necessary part of undertaking valuations. CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The Reliant Party(ies) accepts that the valuation contains certain specific assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.
Information Supplied by Others:	The valuation contains information which is derived from other sources. Unless otherwise specifically instructed by you and/or stated in the valuation, we have not independently verified that information, nor adopted it as our own, or accepted its reliability. The Reliant Party(ies) accepts the risk that if any of the unverified information/advice provided by others and referred to in the valuation is incorrect, then this may have an effect on the valuation.

1 Introduction

1.1 Instructions

We refer to written instructions received from Hwa Hong Corporation Limited to advise on the market values as at 30 April 2022 of 400 Orchard Road #20-06, #20-07 & #20-08 Orchard Towers, Singapore 238875 (the "Properties").

1.2 Critical Assumptions

We made certain critical assumption which has a material impact upon our valuation. This is noted as follows:

- We have valued the Properties based on their existing use and condition as at date of inspection (24 May 2022), and have not taken into account the potential value arising from the possibility of an en-bloc sale of the whole development, if any.

1.3 GST Assumptions

Unless otherwise stated, all financial information and valuation calculations and assessments in this report exclude GST.

1.4 Extension of Liability & Confidentiality

This report may only be relied upon by Hwa Hong Corporation Limited for determining the market value of the Properties in connection with the voluntary conditional general offer for all the issued and paid-up ordinary shares in the share capital of Hwa Hong Corporation Limited and for inclusion in Hwa Hong Corporation Limited's circular in relation to the offer.

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

1.5 Market Value Definition

In accordance with the Singapore Institute of Surveyors and Valuers ("SISV") Valuation Standards and Practice Guidelines, the International Valuation Standards and as advocated by the Royal Institution of Chartered Surveyors (RICS), the definition of Market Value is as follows:

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

1.6 Valuer's Interest

We hereby certify that each of the valuer is authorised under law to practice as a valuer and has at least 13 years continuous experience in valuation and does not have a pecuniary interest that could conflict with the proper valuation of the Properties.

1.7 Qualifications

This valuation is prepared in accordance with the SISV Valuation Standards and Practice Guidelines. In addition, this valuation has been prepared in accordance with the latest editions of the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards and the IVSC International Valuation Standards (IVS) both effective from 31 January 2020, where appropriate.

This valuation report is provided subject to the assumptions, disclaimers, qualifications and limitations detailed throughout this report and to those included within the Assumptions, Disclaimers, Limitations & Qualifications section of this report.

1.8 Limitation of Liability

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

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

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

1.9 Heightened Market Volatility

We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility.

You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.

2 Site Details

2.1 Location

Situation: Bounded by Orchard Road, Claymore Road and Claymore Drive.

Location: Orchard Towers is approximately 5 kilometres from the financial hub at Raffles Place and about 30 minutes' drive from the Singapore Changi Airport.

Surrounds: The immediate vicinity comprises commercial buildings, hotels and private apartment/ condominium developments. Prominent commercial developments nearby include Palais Renaissance, Delfi Orchard, Forum The Shopping Mall, Far East Shopping Centre, Claymore Connect and Shaw House, amongst many others. The Royal Thai Embassy is also located nearby.

Orchard Towers is less than 500 metres from one of the entry/exit points of Orchard MRT Station. Bus and taxi services are also readily available within the vicinity. Access to other parts of the island is enhanced via the proximity to Central Expressway (CTE) and other major arterial roads.

The following map indicates the position of Orchard Towers within Singapore:



2.2 Site & Services

Topography: Generally flat and at access road level. Vehicular ingress/egress is via Claymore Drive.

Services: All typical services appear connected.

2.3 Legal Details

Real Property Description

- Legal description and strata floor area of the Properties are as follow:-

Unit No.	Lot Number (of Town Subdivision 25)	Strata Floor Area (sq m)	No of Share in the Common Property of Whole Land Lots TS25-975C & TS25-978V (out of 100,000 shares)
#20-06	U5692C	123.0	297
#20-07	U5693M	151.0	365
#20-08	U5694W	57.0	138

- Estate in Fee Simple derived from Grant 23, Grant in Fee Simple 1778 and Grant in Fee Simple 1779.

Registered Owner

- Hong Property Investments Pte Ltd.

Interest & Encumbrance

- Nil.

2.4 Town Planning

Master Plan 2019: "Commercial" with a plot ratio of 4.9.

Annual Value (AV): #20-06: S$44,500;
#20-07: S$54,600 and
#20-08: S$20,600

Property Tax: 10% of AV.

Existing Use: Appears to conform.

3 Property Description

3.1 General Description

Orchard Towers is a mixed commercial-cum-residential development which comprises two adjoining blocks. The front block (addressed as 400 Orchard Road, fronting Orchard Road) is a 25-storey tower with retail units on the Basement 1 to 4th storey, and offices on the upper floors. The rear block (addressed as 1 Claymore Drive) is a 25-storey tower with retail units on the Basement 1 to 2nd storey, and carpark facilities, offices and residential units on the upper floors. The development was completed circa 1970s.

Vertical access within Orchard Towers is via escalators, passenger/service lifts and reinforced concrete staircases.

The Properties that form this valuation comprises 3 office units located on the 20th storey of Orchard Towers, front block (400 Orchard Road). All 3 units are currently vacant.

The accommodation within each of the Properties comprises general office area and partitioned offices.

The Properties have a floor-to-ceiling board height (as measured on-site) of approximately 2.5 metres.

3.1.1 Construction

Foundations:	Reinforced concrete footings and foundations.
Floors:	Reinforced concrete floor slabs.
Structure:	Reinforced concrete frame with infill plastered brick-walls.
External Walls:	Brick-walls finished with cement plaster/emulsion paint, granite tiles and glass curtain walls.
Windows/Doors:	Aluminium framed glass sliding windows; stainless steel framed glass swing doors and timber swing doors.
Roof:	Reinforced concrete flat roof with insulation and waterproofing system.

3.1.2 Internal Finishes

Floor finish comprises carpet tiles throughout. Internal walls are generally plastered with emulsion finishes, and fitted with drywall partitions and/or glass panels. Ceiling over the accommodation is generally fitted with plaster ceiling boards with light fittings, air-conditioner diffusers and sprinkler heads.

The main accommodation is cooled by centralised air-conditioning system.

#20-06









#20-07









#20-08









3.2 Condition & Repair

We have inspected the Properties on 24 May 2022. Internal condition of the Properties appears to be average having regard to the age of the development.

We have not been provided with any reports in respect of the structural integrity or condition of the service facilities within the Properties. Hence, we are unable to comment on the structural condition.

4 Valuation Rationale

4.1 Introduction

In arriving at our opinion of value, we have considered relevant general and economic factors and have also investigated a range of recent sales that have occurred within the Singapore market. We made certain critical assumption which has a material impact upon our valuation. This is noted as follows:

- We have valued the Properties based on their existing use and condition as at date of inspection (24 May 2022), and have not taken into account the potential value arising from the possibility of an en-bloc sale of the whole development, if any.

4.2 Valuation Methodology

We have adopted Direct Comparison Method in arriving at the valuation of the Properties. This approach involves the analysis of arms-length comparable sales and adjustments are made to reflect the differences in location, floor level, floor area, age and condition, tenure as well as date of transaction, amongst other factors affecting value.

This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market.

The following are a cross-section of the sales evidence that we have taken into consideration in arriving at our assessment of the value of the Properties.

Sales Evidence

Property	Type	Strata Floor Area (sq m)	Tenure	Contract Date	Consideration	(S$ psf)
111 North Bridge Road #08-18 Peninsula Plaza	Office	46.0	999 yrs from 29/10/1829	11 Apr 2022	$1,160,800	$2,344
3 Coleman Street #04-02 Peninsula Shopping Complex	Office	30.0	999 yrs from 17/03/1828	7 Apr 2022	$605,000	$1,874
400 Orchard Road #09-01 Orchard Towers	Office	89.0	Freehold	7 Apr 2022	$2,130,000	$2,223
400 Orchard Road #06-18 Orchard Towers	Office	89.0	Freehold	4 May 2021	$1,871,000	$1,953
400 Orchard Road #06-10 Orchard Towers	Office	73.0	Freehold	27 Apr 2021	$1,660,000	$2,113
400 Orchard Road #11-06 Orchard Towers	Office	53.0	Freehold	26 Apr 2021	$1,083,000	$1,898
400 Orchard Road #12-11 Orchard Towers	Office	37.0	Freehold	9 Apr 2021	$800,000	$2,009

4.3 Valuation

Having considered the prevailing market conditions and other relevant factors, we estimate the market values as at 30 April 2022 of **400 ORCHARD ROAD #20-06 ORCHARD TOWERS, SINGAPORE 238875** to be as follow:-

Unit Number	Market Value as at 30 April 2022
#20-06	**S$2,660,000/-**
#20-07	**S$3,170,000/-**
#20-08	**S$1,250,000/-**
TOTAL	**S$7,080,000/-**

(SINGAPORE DOLLARS: SEVEN MILLION AND EIGHTY THOUSAND ONLY).

Yours faithfully
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DipUrbVal (Auck) SNZPI FSISV
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Inclusions & Exclusions:	Our valuation includes those items that form part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the property, but excludes all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant) or are used in connection with the business/businesses carried on within the property.
Code on Accessibility in the Built Environment 2019:	The Code deals with discrimination against persons with disabilities in respect to access to premises as well as many other areas. Should there be any concern as to whether the property may have any shortcomings in respect to this Code, we recommend that expert advice be sought from professionals qualified in this area.
Condition & Repairs:	We have inspected the building. However, we advise that we have not carried out a structural survey nor tested any of the services or facilities and are therefore unable to state that these are free from defect. We advise that we have not inspected unexposed or inaccessible portions of the building and are therefore unable to state that these are free from rot, infestation, asbestos or other hazardous material. We have, however, viewed the general state of repair of the property and advised that we did not notice any obvious signs of structural defect or dilapidations. Furthermore, the property appears to be in reasonable condition having regard to its age and use unless otherwise stated. Our valuation assumes that a detailed report of the structure and service installations of the building would not reveal any defects requiring significant expenditure. Additionally, we assume that the building complies with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations.
Site Survey Not Provided:	We do not commission site surveys and a site survey has not been provided to us. We have assumed there are no encroachments by or on the property, and the Reliant Party(ies) should confirm this status by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Site Conditions:	We do not commission site investigations to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances. In the case of property which may have redevelopment potential, we proceed on the basis that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems (unless stated otherwise).
Site Contamination Risk:	We have assumed that the site is free of elevated levels of contaminants. Our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Asbestos Risk:	Unless otherwise noted, we have assumed that the improvements are free of asbestos and hazardous materials, or should these materials be present then they do not pose significant risk to human health, nor require immediate removal. We assume the site is free of subsoil asbestos and have made no allowance in our valuation for site remediation works. Our visual inspection is an inconclusive indicator of the actual condition/presence of asbestos/hazardous materials within the property. We make no representation as to the actual status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of the presence of any asbestos/hazardous materials on site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Extent of Our Investigations:	We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party(ies) to instruct further investigations where considered appropriate or where we recommend as necessary prior to reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Assumptions:	Assumptions are a necessary part of undertaking valuations. CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The Reliant Party(ies) accepts that the valuation contains certain specific assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.
Information Supplied by Others:	The valuation contains information which is derived from other sources. Unless otherwise specifically instructed by you and/or stated in the valuation, we have not independently verified that information, nor adopted it as our own, or accepted its reliability. The Reliant Party(ies) accepts the risk that if any of the unverified information/advice provided by others and referred to in the valuation is incorrect, then this may have an effect on the valuation.

1 Introduction

1.1 Instructions

We refer to written instructions received from Hwa Hong Corporation Limited to advise on the market values as at 30 April 2022 of 93 Robertson Quay #39-05 and 95 Robertson Quay #01-17, #01-18, #01-19 & #01-20 Rivergate, Singapore 238255/238256 (the "Properties").

1.2 Critical Assumptions

We made certain critical assumption which has a material impact upon our valuation. This is noted as follows:

- We have valued the Properties based on their existing use and condition as at date of inspection (25 May 2022), with vacant possession, and have not taken into account the potential value arising from the possibility of an en-bloc sale of the whole development, if any.

1.3 GST Assumptions

Unless otherwise stated, all financial information and valuation calculations and assessments in this report exclude GST.

1.4 Extension of Liability & Confidentiality

This report may only be relied upon by Hwa Hong Corporation Limited for determining the market value of the Properties in connection with the voluntary conditional general offer for all the issued and paid-up ordinary shares in the share capital of Hwa Hong Corporation Limited and for inclusion in Hwa Hong Corporation Limited's circular in relation to the offer.

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

1.5 Market Value Definition

In accordance with the Singapore Institute of Surveyors and Valuers ("SISV") Valuation Standards and Practice Guidelines, the International Valuation Standards and as advocated by the Royal Institution of Chartered Surveyors (RICS), the definition of Market Value is as follows:

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

1.6 Valuer's Interest

We hereby certify that each of the valuer is authorised under law to practice as a valuer and has at least 13 years continuous experience in valuation and does not have a pecuniary interest that could conflict with the proper valuation of the Properties.

1.7 Qualifications

This valuation is prepared in accordance with the SISV Valuation Standards and Practice Guidelines. In addition, this valuation has been prepared in accordance with the latest editions of the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards and the IVSC International Valuation Standards (IVS) both effective from 31 January 2020, where appropriate.

This valuation report is provided subject to the assumptions, disclaimers, qualifications and limitations detailed throughout this report and to those included within the Assumptions, Disclaimers, Limitations & Qualifications section of this report.

1.8 Limitation of Liability

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

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

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

1.9 Heightened Market Volatility

We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility.

You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.

2 Site Details

2.1 Location

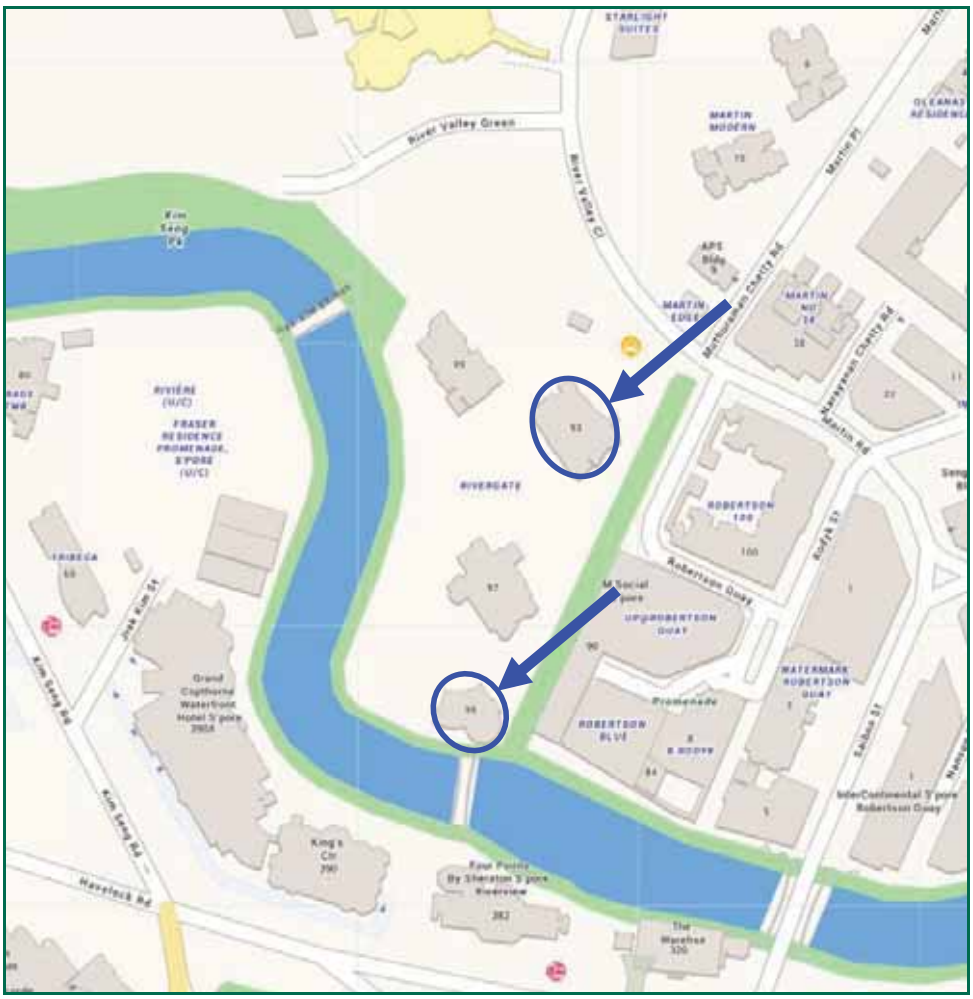
Situation: Located along Singapore River and Robertson Quay, off Martin Road.

Location: Rivergate is approximately 2 kilometres from the financial hub at Raffles Place and about 30 minutes' drive from the Singapore Changi Airport.

Surrounds: The immediate vicinity comprises commercial buildings, hotels and private apartment/ condominium developments. Prominent residential developments nearby include Robertson Blue, 8 Rodyk, Robertson 100, Watermark Robertson Quay, River Place, The Quayside, Riverside 48, Martin 38 and The Inspira, amongst many others. Commercial developments within the vicinity include Waterfront Plaza, Kings Centre, Robertson Walk, UE Square and Great World City.

Rivergate is less than 700 metres from one of the entry/exit points of the upcoming Havelock MRT Station (target opening in June 2022). Bus and taxi services are also readily available along Havelock Road. Access to other parts of the island is enhanced via the proximity to Central Expressway (CTE) and other major arterial roads.

The following map indicates the position of the Properties within Singapore:



2.2 Site & Services

Topography: Generally flat and at access road level. Vehicular ingress/egress is via Robertson Quay and River Valley Close.

Services: All typical services appear connected.

2.3 Legal Details

Real Property Description

- Legal description and strata floor area of the Properties are as follow:-

Unit No.	Lot Number (of Town Subdivision 21)	Strata Floor Area (sq m)	No of Share in the Common Property of Whole Land Lots TS21-1423T (out of 100,000 shares)
93 #39-05	U6346N	144.0	189
95 #01-17	U6720X	52.0	148
95 #01-18	U6721L	35.0	100
95 #01-19	U6722C	172.0	490
95 #01-20	U6723M	72.0	205

- Estate in Fee Simple derived from Grant 61, Grant in Fee Simple 1488, Grant in Fee Simple 2392, Grant in Fee Simple 2812, Grant 5 and Grant in Fee Simple 1517.

Registered Owner

- Global Trade Investment Management Pte Ltd.

Interest & Encumbrance

- The Properties are mortgaged to Oversea-Chinese Banking Corporation Limited.

2.4 Town Planning

Master Plan 2019: "Residential with Commercial at 1st storey" with a plot ratio of 2.8.

Annual Value (AV): 93 #39-05: S$52,800;
95 #01-17: S$68,000;
95 #01-18: S$43,400;
95 #01-19: S$213,000; and
95 #01-20: S$89,200

Property Tax: 93 #39-05: S$4,800 for the first S$45,000 of AV & 14% for the next S$7,800
95 #01-17/18/19/20: 10% of AV

Existing Use: Appears to conform.

3 Property Description

3.1 General Description

Rivergate is a waterfront development which comprises three 43-storey residential blocks (known as Blocks 93, 97 & 99) and one single-storey commercial block (known as Block 95), accommodating a total of 533 apartments, 12 penthouses and 4 shops. The development was competed in 2009.

The Properties that form this valuation comprises one apartment on the 39th storey of Block 93, and four shop units located on the ground floor of Block 95 within Rivergate. They are currently tenanted to 3 tenants.

The accommodation within the Properties are as follow:

93 #39-05:	Living and dining area opening onto a balcony; master bedroom with an attached bathroom; bedroom with an attached balcony; another bedroom; common bathroom; kitchen; store; yard; household shelter and toilet.
95 #01-17:	General retail area and store.
95 #01-18/19/20:	General restaurant areas, kitchen and store.

3.1.1 Construction

Foundations:	Reinforced concrete footings and foundations.
Floors:	Reinforced concrete floor slabs.
Structure:	Reinforced concrete frame with infill plastered brick-walls.
External Walls:	Brick-walls finished with cement plaster/emulsion paint and glass curtain walls.
Windows/Doors:	Powder coated aluminium framed glass sliding/casement windows; frameless glass swing/sliding doors, powder coated aluminium framed glass sliding doors, timber framed glass sliding door, steel swing door and timber swing doors.
Roof:	Reinforced concrete flat roof with insulation and waterproofing system.

3.1.2 Internal Finishes

93 #39-05 (tenanted)

Floor finish comprises marble tiles to the living/dining areas and bathrooms; timber strips to the bedrooms and store; homogeneous tiles and timber decking to the balconies; and homogeneous tiles to the remaining areas. Internal walls are generally plastered and emulsion painted, except for marble tiles to the bathrooms, and homogeneous tiles to the kitchen and toilet. Ceiling over the accommodation is generally fitted with plaster ceiling boards with light fittings.

Built-in features include shoe cabinets to the living area; wardrobe to the bedrooms; high and low level cabinets with granite worktop, cooker hood, hob, ovens, dishwasher and sink to the kitchen; long bath, shower screen, wall-mounted hairdryer, vanity mirror and vanity top with undercounter cabinets to the master bathroom; shower screen, vanity mirror and vanity top with undercounter cabinets to the common bathroom; and homogeneous-tiled wash basin to the yard.

In addition, the main accommodation is cooled by split-unit air-conditioners.
















View from living/dining area

95 #01-17 (tenanted and used as a shop)

Floor finish comprises laminated timber strips throughout. Internal walls and ceiling are generally plastered and emulsion painted.

The shop is fitted-out with tenant's finishes and fittings.






95 #01-18/19/20 (tenanted and used as a restaurant)

Floor finish comprises homogeneous tiles and epoxy coating on concrete flooring to the general restaurant areas; and ceramic tiles to the kitchen. Internal walls are generally plastered and emulsion painted, except for the kitchen which is lined with ceramic tiles. Ceiling over the accommodation is generally fitted with plaster ceiling boards with light fittings, or fitted with tempered glass panels.

The restaurant is fitted-out with tenant's finishes and fittings.









3.1.3 Facilities

Facilities within the development include lap pool, jacuzzi loungers, infinity pool edge, hot tub, spa jets, children's pool, children's water play area, function rooms, gymnasium, sky gymnasium, home theatre room, reading room, golf simulator room, timber deck with BBQ pits, tennis courts, basketball court, fitness area, children's playground, sky gardens, roof gardens, sloping lawn area and male and female shower/changing rooms.

3.2 Condition & Repair

We have inspected the Properties on 25 May 2022. Internal condition of the Properties appears to be average having regard to the age of the development.

We have not been provided with any reports in respect of the structural integrity or condition of the service facilities within the Properties. Hence, we are unable to comment on the structural condition.

4 Valuation Rationale

4.1 Introduction

In arriving at our opinion of value, we have considered relevant general and economic factors and have also investigated a range of recent sales that have occurred within the Singapore market. We made certain critical assumption which has a material impact upon our valuation. This is noted as follows:

- We have valued the Properties based on their existing use and condition as at date of inspection (25 May 2022), with vacant possession, and have not taken into account the potential value arising from the possibility of an en-bloc sale of the whole development, if any.

4.2 Valuation Methodology

We have adopted Direct Comparison Method in arriving at the valuation of the Properties. This approach involves the analysis of arms-length comparable sales and adjustments are made to reflect the differences in location, floor level, floor area, age and condition, tenure as well as date of transaction, amongst other factors affecting value.

This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market.

The following are a cross-section of the sales evidence that we have taken into consideration in arriving at our assessment of the value of the Properties.

Sales Evidence

Property	Type	Strata Floor Area (sq m)	Tenure	Contract Date	Consideration	(S$ psf)
99 Robertson Quay #11-12 Rivergate	Apartment	139.0	Freehold	28 Apr 2022	$4,100,000	$2,740
99 Robertson Quay #27-13 Rivergate	Apartment	97.0	Freehold	6 Apr 2022	$2,700,000	$2,586
269 Outram Road	Retail	126.0	Freehold	17 Mar 2022	$6,102,000	$4,499
218 Pasir Panjang Road #01-10 Icon @ Pasir Panjang	Retail	38.0	Freehold	8 Mar 2022	$1,520,000	$3,716
428 River Valley Road #01-08 Loft @ Nathan	Retail	61.0	Freehold	4 Mar 2022	$2,600,000	$3,960
97 Robertson Quay #32-10 Rivergate	Apartment	176.0	Freehold	13 Jan 2022	$5,300,000	$2,798
99 Robertson Quay #36-15 Rivergate	Apartment	144.0	Freehold	30 Dec 2021	$4,150,000	$2,677
275 Thomson Road #01-27 Novena Regancy	Retail	26.0	Freehold	10 Aug 2021	$1,200,000	$4,288

4.3 Valuation

Having considered the prevailing market conditions and other relevant factors, we estimate the market values as at 30 April 2022 of **93 ROBERTSON QUAY #39-05 AND 95 ROBERTSON QUAY #01-17, #01-18, #01-19 & #01-20 RIVERGATE, SINGAPORE 238255/238256** to be as follow:-

Unit Number	Market Value as at 30 April 2022
93 ROBERTSON QUAY #39-05	**S$4,300,000/-**
95 ROBERTSON QUAY #01-17	**S$2,590,000/-**
95 ROBERTSON QUAY #01-18	**S$1,720,000/-**
95 ROBERTSON QUAY #01-19	**S$7,280,000/-**
95 ROBERTSON QUAY #01-20	**S$3,510,000/-**
TOTAL	**S$19,400,000/-**

(SINGAPORE DOLLARS: NINETEEN MILLION AND FOUR HUNDRED THOUSAND ONLY).

Yours faithfully
CBRE PTE. LTD.



LI HIAW HO
DipUrbVal (Auck) SNZPI FSISV
Appraiser's License No. AD041-2002445I



PHANG SIEW LING
(INSPECTING VALUER)
BSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2009650J

Assumptions, Disclaimers, Limitations & Qualifications

Reliance:	This valuation is strictly and only for the use of the Reliant Party(ies) and for the Purpose specifically stated. Unless otherwise stated in the report, the Client/Instructing Party(ies) is deemed to be the Reliant Party(ies).
Confidentiality:	Any valuation service is confidential as between CBRE and the Reliant Party(ies) as specifically stated in the valuation advice/report.
Transmission:	Only an original valuation report received by the Reliant Party(ies) directly from CBRE without any third party intervention can be relied upon.
Restriction:	No responsibility is accepted or assumed to any third party who may use or rely on the whole or any part of the content of this valuation.
CBRE does not Assign Valuations:	We do not assign valuations. If the Instructing Party(ies) has not determined the Reliant Party(ies) and Purpose details by the time of report finalisation, the report will be addressed and issued to the Instructing Party(ies) for Financial Reporting purposes in PDF format only. Once the Reliant Party(ies) and Purpose details have been advised to us, the report will be re-addressed and issued to the Reliant Party(ies). This additional service may incur an additional fee.
Copyright:	Neither the whole nor any part of the content of this valuation may be published in any document, statement, circular or otherwise by any party other than CBRE, nor in any communication with any third party, without the prior written approval from CBRE, and subject to any conditions determined by CBRE, including the form and context in which it is to appear.
Future Change in Value:	All valuations are current as at the date of valuation only. The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE does not accept liability for losses arising from subsequent changes in value.
Future Matters:	To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. CBRE does not warrant that such statements are accurate or correct.
Reliance Window:	Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability, nor should the valuation be relied upon, after the expiration of 3 months from the date of valuation, or such earlier date if the Reliant Party(ies) becomes aware of any factors that may have an effect on the valuation and has not disclosed such information to CBRE.
Matters which affect or may affect the valuation:	If the Reliant Party(ies) become aware of any matters which affect or may affect the valuation, then CBRE must be advised of those matters, and reliance must not be placed on the valuation under any circumstance.
Valuation Analyses:	CBRE employs industry recognised valuation methodologies in estimating the value of a property, having regard to the definition of market value and market based evidence. The result is the best estimate of value CBRE can produce, but it is an estimate and not a guarantee, and it is fully dependent upon the accuracy of the assumptions as to income, expenses, and market conditions. These valuation methodologies use market derived assumptions (including rents, yields and discount rates) obtained from analysed transactions. We have not independently verified market information, nor adopted it as our own, nor can we comment on or accept its reliability. The Reliant Party(ies) accepts the risk that if any of the unverified information/advice provided by others and referred to in our valuation is incorrect, then this may have an effect on the valuation. (Refer to Information Supplied by Others.)
Prudent Lending Clause:	Our valuation will be provided on the assumption that the Reliant Party(ies) may rely on the valuation for First Mortgage Security purposes, and the Reliant Party(ies) complies with its own lending guidelines as well as prudent finance industry lending practices, and considers all prudent aspects of credit risks for the potential borrower, including the borrower's ability to service and repay any mortgage loan. The valuation will be provided on the assumption that the Reliant Party(ies) will provide mortgage financing at a conservative and prudent loan to value ratio. No responsibility will be accepted for this valuation nor should any reliance be placed on this valuation if the Reliant Party(ies) rely solely upon this valuation to advance any loan.
Property Title	We have conducted a brief title search only. We have therefore not perused the original title/lease documentation. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein.
Liens/Caveats:	We have disregarded the presence of any mortgage or other financial liens, or any caveats pertaining to the property.
Unregistered Interests:	We have assumed that there are no unregistered interests or interests not captured by the applicable Regulatory Authority in the country which services are to be carried out which may affect market value. In the event that the Reliant Party(ies) becomes aware of any further or pending easements, encumbrances or unregistered interests, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Planning Information:	It is assumed that information relating to town planning as reflected on the current Singapore Master Plan is accurate. In the event that a legal requisition is obtained and the information therein is found to be materially different to the town planning information detailed within this report, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation. We were not advised of any road widening or other adverse planning proposals affecting the property. However, in the event that a search is undertaken which reveals that the property is affect by public scheme(s), we should be consulted to reassess any effect on the value stated herein.

Certificate of Occupancy & Use:	We have not sighted a copy of the Temporary Occupation Permit (TOP), Certificate of Fitness (COF), Certificate of Statutory Completion (CSC) or Temporary Occupation Licence (TOL) for the subject property(ies). Accordingly, our valuation assumes that the property(ies) complies with all requirements of the Local Government Body responsible for the issue of the said Certificate and that there are no outstanding matters, orders or requisitions.
Government Land & Rental Value:	Our valuation may rely upon the land rent and Annual Value (for property tax assessment), as at the date of valuation. These may differ substantially under further assessment, and may therefore impact on the outgoings and value of the property.
Property Development:	In the event that the information provided to us is inaccurate, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Measurement of Areas:	We have assumed that the floor areas have been calculated in accordance with the guidelines as contained in the Land Title Strata Act (LTSA). We recommend that a survey be undertaken to determine whether the areas provided differ from LTSA guidelines. In the event that there is a material variance in areas, we reserve the right to review our valuation as assessed herein.
Inclusions & Exclusions:	Our valuation includes those items that form part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the property, but excludes all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant) or are used in connection with the business/businesses carried on within the property.
Code on Accessibility in the Built Environment 2019:	The Code deals with discrimination against persons with disabilities in respect to access to premises as well as many other areas. Should there be any concern as to whether the property may have any shortcomings in respect to this Code, we recommend that expert advice be sought from professionals qualified in this area.
Condition & Repairs:	We have inspected the building. However, we advise that we have not carried out a structural survey nor tested any of the services or facilities and are therefore unable to state that these are free from defect. We advise that we have not inspected unexposed or inaccessible portions of the building and are therefore unable to state that these are free from rot, infestation, asbestos or other hazardous material. We have, however, viewed the general state of repair of the property and advised that we did not notice any obvious signs of structural defect or dilapidations. Furthermore, the property appears to be in reasonable condition having regard to its age and use unless otherwise stated. Our valuation assumes that a detailed report of the structure and service installations of the building would not reveal any defects requiring significant expenditure. Additionally, we assume that the building complies with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations.
Site Survey Not Provided:	We do not commission site surveys and a site survey has not been provided to us. We have assumed there are no encroachments by or on the property, and the Reliant Party(ies) should confirm this status by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Site Conditions:	We do not commission site investigations to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances. In the case of property which may have redevelopment potential, we proceed on the basis that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems (unless stated otherwise).
Site Contamination Risk:	We have assumed that the site is free of elevated levels of contaminants. Our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Asbestos Risk:	Unless otherwise noted, we have assumed that the improvements are free of asbestos and hazardous materials, or should these materials be present then they do not pose significant risk to human health, nor require immediate removal. We assume the site is free of subsoil asbestos and have made no allowance in our valuation for site remediation works. Our visual inspection is an inconclusive indicator of the actual condition/presence of asbestos/hazardous materials within the property. We make no representation as to the actual status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of the presence of any asbestos/hazardous materials on site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Extent of Our Investigations:	We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party(ies) to instruct further investigations where considered appropriate or where we recommend as necessary prior to reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Assumptions:	Assumptions are a necessary part of undertaking valuations. CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The Reliant Party(ies) accepts that the valuation contains certain specific assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.
Information Supplied by Others:	The valuation contains information which is derived from other sources. Unless otherwise specifically instructed by you and/or stated in the valuation, we have not independently verified that information, nor adopted it as our own, or accepted its reliability. The Reliant Party(ies) accepts the risk that if any of the unverified information/advice provided by others and referred to in the valuation is incorrect, then this may have an effect on the valuation.

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Co. Reg. No.: 197701161R
Agency License No.: L3002163I

Our Ref: 22-SGL-0077-5/PSL/LHH/JH (21-SGL-0174)

1 June 2022

Hwa Hong Corporation Limited
38 South Bridge Road
Singapore 058672

Attn: Mr Ong Eng Loke / Ms Yvonne Lee

Dear Sir/Madam

REVALUATION OF
51 SCOTTS ROAD, SCOTTS SPAZIO, SINGAPORE 228241 (the "Property")

We refer to your instructions to provide a desk-top revaluation of the above property as at 30 April 2022, on the basis that there is no addition or alteration to the property as described in our report dated 31 December 2021.

Our valuation addresses the market value of the Property subject to the existing tenancies and occupational arrangements.

This valuation may only be relied upon by Hwa Hong Corporation Limited for determining the market value of the Property in connection with the voluntary conditional general offer for all the issued and paid-up ordinary shares in the share capital of Hwa Hong Corporation Limited and for inclusion in Hwa Hong Corporation Limited's circular in relation to the offer.

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

In accordance with the Singapore Institute of Surveyors and Valuers ("SISV") Valuation Standards and Practice Guidelines, the International Valuation Standards and as advocated by the Royal Institution of Chartered Surveyors (RICS), Market Value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Limitation of Liability

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

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

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

Heightened Market Volatility

We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility.

You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.

The Property

The Property is a 4-storey office block with surface car park lots. It is located at Scotts Road, near to its junction with Bukit Timah Road, approximately 5 kilometres from the financial hub at Raffles Place and a few minutes' drive from the Orchard Road shopping and hotel belt. Next to the development is one of the entry/exit points of the Newton MRT Station.

The Property has a gross floor area of 15,627.87 square metres and net lettable area of approximately 150,000 square feet. The approved use is Office with ancillary staff cafeteria of 691.72 square feet.

There are 68 surface car park lots (including 2 handicap lots) of which 45 lots are for season car parking. With the valet parking service, the property can accommodate up to 130 cars. The Property obtained the Temporary Occupation Permit on 16 September 2008.

Land Lease

The site is legally known as Lot 1268A of Town Subdivision 27 with a certified land area of 10,444.3 square metres.

The registered owner is Scotts Spazio Pte. Ltd.

The tenure is leasehold for a term of 15 years commencing on 26 November 2007. As per the Lease Agreement dated 10 May 2022, The Government of The Republic of Singapore has granted a 2-year extension of land lease to Scotts Spazio Pte. Ltd., i.e. 26 November 2022 to 25 November 2024, with a monthly payable land rent of S$247,000.

The unexpired lease term as at date of valuation (30 April 2022) is approximately 2.6 years.

The site is zoned "Reserve Site" under the Singapore Master Plan 2019. According to URA's tender documents, the site is approved for office development up to a plot ratio of 1.5 with a 4-storey height restriction.

Tenancy Details

The entire building is leased by Scotts Spazio Pte. Ltd. (lessor) to Prudential Assurance Company Singapore (Pte) Limited (lessee) for a term of 13 years 10 months 19 days commencing on 6 January 2009 to 24 November 2022. The current contracted rent is at a gross rental rate of S$6.64 per square foot per month, inclusive of service charge of S$0.64 per square foot per month for the cleaning, lighting, upkeep, maintenance and repair of the common areas and for the provision of the common facilities.

As per the Tenancy Agreement dated 2 March 2022, the tenancy has been extended for a further 2-year term, i.e. 25 November 2022 to 24 November 2024, the expiry being the date falling one day prior to the end of the (extended) land lease term. The proposed gross rental is S$6.50 per square foot per month, inclusive of service charge of S$0.64 per square foot per month (for the cleaning, lighting, upkeep, maintenance and repair of the common areas and for the provision of the common facilities) throughout the extended 2-year lease term.

Valuation Methodology

We have adopted Income Capitalisation Method in arriving at our valuation, whereby the estimated gross passing income has been adjusted to reflect anticipated operating costs, income arising from car park component and other sundry income to produce a net income on a fully leased basis.

However, as there are approximately 2.6 years remaining on the land lease and the entire building is leased to Prudential Assurance Company Singapore (Pte) Limited which the tenancy expiry being the date falling one day prior to the end of the (extended) land lease term, we have assessed the value of the Property based on the right to receive the assessed net income until the land lease expiry.

The adopted fully leased net income is discounted over the remaining lease term at an appropriate investment yield. The adopted yield of 10.5% reflects the nature, location, tenure and tenancy profile of the Property together with current market investment criteria.

This method reflects the fact that the Property may not be saleable in the open market because of the limitations of its tenure. Therefore, we do not believe a buyer would pay more than what the Property may yield during its remaining term, reflecting only functional utility.

We have been provided with the actual and forecasted outgoings information for the Property. As advised, the operating expenses is about S$1,056,011 per annum (excluding property tax), reflecting a rate of S$0.59 per square foot per month on the lettable area.

We have also been provided with the actual and forecasted car park income and other sundry income information for the property. As advised, the car park income and other sundry income are S$232,597 per annum and S$5,689 per annum respectively.

In our computation, we have computed property tax based on 10% of the net income.

Having considered the prevailing market conditions and other relevant factors, we estimate the market value as at 30 April 2022 of **51 SCOTTS ROAD, SCOTTS SPAZIO, SINGAPORE 228241**, based on its existing tenancies and occupational arrangements, to be **S$16,800,000/- (SINGAPORE DOLLARS: SIXTEEN MILLION AND EIGHT HUNDRED THOUSAND ONLY).**

This valuation has been prepared without the benefit of reinspection and title search.

Yours faithfully
CBRE PTE. LTD.



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DipUrbVal (Auck) SNZPI FSISV
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Our Ref: 22-SGL-0077-1/PSL/LHH/JH (21-SGL-0142)

1 June 2022

Hwa Hong Corporation Limited
38 South Bridge Road
Singapore 058672

Attn: Mr Ong Eng Loke / Ms Yvonne Lee

Dear Sir/Madam

REVALUATION OF
38 & 40 SOUTH BRIDGE ROAD, SINGAPORE 058672/058674 (the "Property")

We refer to your instructions to provide a desk-top revaluation of the above property as at 30 April 2022, on the basis that there is no addition or alteration to the property as described in our report dated 15 October 2021.

We have valued the Property based on its existing use and condition as at date of inspection (15 October 2021).

This valuation may only be relied upon by Hwa Hong Corporation Limited for determining the market value of the Property in connection with the voluntary conditional general offer for all the issued and paid-up ordinary shares in the share capital of Hwa Hong Corporation Limited and for inclusion in Hwa Hong Corporation Limited's circular in relation to the offer.

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In accordance with the Singapore Institute of Surveyors and Valuers ("SISV") Valuation Standards and Practice Guidelines, the International Valuation Standards and as advocated by the Royal Institution of Chartered Surveyors (RICS), Market Value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Limitation of Liability

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

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

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

Heightened Market Volatility

We draw your attention to the fact that a combination of global inflationary pressures (leading to higher interest rates) and the recent geopolitical events in Ukraine, in addition to the on-going effects of the global Covid-19 pandemic in some markets, has heightened the potential for greater volatility in property markets over the short-to-medium term. Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility.

You should note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how market participants respond to current events.

The Property

The Property is a 5-storey intermediate commercial building. The building was originally completed circa 1950s but has since undergone addition and alteration works in 1981.

The Property is located at South Bridge Road, near to its junction with Carpenter Street, within 1 kilometre from the financial hub at Raffles Place. It is situated 300 metres from one of the entry/exit points of Clarke Quay MRT Station.

Based on the information provided by Paco Industries Pte. Ltd., the Property has a gross floor area of 1,042.31 square metres. It is currently owner-occupied.

The Property is erected on 2 sites. Legal description, land area and tenure information of the sites are as follow:-

Property	Lot Number (Town Subdivision 7)	Land Area (sq m)	Tenure
38 South Bridge Road	160N	120.8	99 years wef 1 May 1941
40 South Bridge Road	164M	123.0	99 years wef 1 November 1947

The unexpired lease terms as at date of valuation (30 April 2022) are approximately 17.9 years and 24.5 years respectively.

The registered owner is Paco Industries Pte. Ltd.

Under the Singapore Master Plan 2019, the sites are zoned ""“Commercial” with a plot ratio of 4.2, within a designated “Upper Circular Road Conservation Area – Envelope Control Site in a Secondary Settlements".

Valuation Methodology

We have adopted Direct Comparison Method in arriving at the valuation of the Property. This approach demonstrates what buyers have historically been willing to pay (and sellers willing to accept) for similar properties in an open and competitive market. It involves the analysis of arms-length comparable sales and adjustments are made to reflect the differences in location, tenure, age and condition of development, site area, standard of finishes and fittings as well as date of transaction, amongst other factors affecting value.

The following are a cross-section of the sales evidence that we have taken into consideration in arriving at our assessment of the value of the Property.

Property	Type	Land Area (sq m)	Approximate Floor Area (sq m)	Tenure	Contract Date	Consideration (S$)	S$ psf/ Floor Area
38 North Canal Road	A 4-storey intermediate conservation shophouse	165.8	557	99 years wef 25 Jan 1960	28 Apr 2022	$7,424,025	$1,238
57 Duxton Road	A 3-storey intermediate conservation shophouse with attic	106.3	317	99 years wef 10 Jul 1989	5 Apr 2022	$8,580,000	$2,515
30 & 31 North Canal Road	Two adjoining 4-storey intermediate commercial building	298.0	1,115	99 years wef 1 Jul 1941 & 1 Jan 1948	31 Mar 2022	$14,380,000	$1,198
59 & 60 Duxton Road	Two adjoining 3-storey intermediate conservation shophouses	210.4	641	99 years wef 10 Jul 1989	23 Jul 2021	$14,800,000	$2,145
42 Hongkong Street	A 5-storey intermediate conservation shophouse	154.3	465	99 years wef 4 Mar 1948	23 Jun 2021	$7,200,000	$1,439

Having considered the prevailing market conditions and other relevant factors, we estimate the market value as at 30 April 2022 of **38 & 40 SOUTH BRIDGE ROAD, SINGAPORE 058672/058674**, based on a lease term of 99 years commencing on 1 May 1941 and 1 November 1947 respectively, to be **S$12,800,000/- (SINGAPORE DOLLARS: TWELVE MILLION AND EIGHT HUNDRED THOUSAND ONLY).**

This valuation has been prepared without the benefit of reinspection and title search.

Yours faithfully
CBRE PTE. LTD.

LI HIAW HO
DipUrbVal (Auck) SNZPI FSISV
Appraiser's License No. AD041-2002445I

PHANG SIEW LING
BSc (Real Est) Hons MSISV
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ALLIED APPRAISAL CONSULTANTS PTE LTD

400 ORCHARD ROAD #06-26 ORCHARD TOWERS
SINGAPORE 238875
TEL : 62351077 FAX : 67348310 E-mail : aacpl@singnet.com.sg

PRIVATE & CONFIDENTIAL

23rd May 2022 Our File : 2022-206

Board of Directors
Hwa Hong Corporation Limited
38 South Bridge Road
Singapore 058672

Dear Sirs,

RE : DESKTOP VAUATION OF
400 ORCHARD ROAD #11-09/10
ORCHARD TOWERS
SINGAPORE 238875

We refer to the instructions from Hwa Hong Corporation Limited to carry out a desktop valuation in order to advise on the market value of the above property in connection with the voluntary conditional general offer for all the issued and paid-up ordinary shares in the share capital of Hwa Hong Corporation Limited and for inclusion in Hwa Hong's circular in relation to the offer.

This valuation is premised on the latest information as provided. No recent site inspection nor title searches/structural survey/legal requisitions were carried out.

This valuation has been carried out in accordance with The Singapore Institute of Surveyors and Valuers' Valuation Standards and Guidelines.

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

The estimated values are based upon the factual information provided by your goodselves. Property data/information provided are assumed to be correct. Whilst Allied Appraisal Consultants Pte Ltd has endeavored to ensure the accuracy of the information, it has not independently verified all information provided by your goodselves. Allied Appraisal Consultants Pte Ltd also accepts no responsibility for subsequent changes in information as to the areas, income, expenses or market conditions.

The brief details of the subject property are summarized as follows :-

Address of Property	:	400 Orchard Road #11-09/10, Orchard Towers, Singapore 238875
Type of Property	:	Two adjoining units of office space located on the eleventh storey level of a high rise shopping/office/residential complex
Legal Description	:	Strata Lot U986X of Town Subdivision 25
Tenure	:	Freehold
Strata Floor Area	:	157 square metres (1,690 square feet)
Year of Completion	:	Built in 1972 or thereabouts
Condition	:	Assume fairly good
Master Plan Zoning (2019)	:	Commercial with a gross plot ration of 4.9 The official Master Plan Zoning, Road/Drainage/MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us
Occupancy	:	We understand that the subject property is owner-occupied. However, no further details were made available to us
Annual Value	:	The property is assessed at an Annual Value of S$56,700. Property tax is payable at 10% per annum of the Annual Value.
Basis of Valuation	:	As-is basis and subject to existing occupancy arrangement but free from all other encumbrances
Method of Valuation	:	Direct comparison method In arriving at our valuation figure, we have taken into consideration the prevailing market conditions and have made due adjustments to comparable transactions for differences in location, tenure, size, shape, design and layout, age and condition of buildings, dates of transactions and other factors affecting its value.

With due regard to the foregoing and taking into consideration the current market conditions and other relevant factors, we are of the opinion that the value of the subject property is as follows :-

ALLIED APPRAISAL CONSULTANTS PTE LTD

Date of Valuation	:	**30 April 2022**
Market Value	:	**S$3,300,000** **SINGAPORE DOLLARS (THREE MILLION THREE HUNDRED THOUSAND ONLY)**

Disclaimer

The reported opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions.

Allied Appraisal Consultants Pte Ltd has relied upon the property data supplied by your goodselves which we assume to be true and accurate. Allied Appraisal Consultants Pte Ltd takes no responsibility for inaccurate date supplied by your goodselves and subsequent conclusions related to such data.

We confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the property and the valuers undertaking the valuation are authorized to practise as valuers and have the necessary expertise and experience in valuation of such types of properties.

Prepared By :

ALLIED APPRAISAL CONSULTANTS PTE LTD



TEO YIK WENG, FRICS, FSISV
CHARTERED VALUATION SURVEYOR
LICENSED APPRAISER
Licence No. AD041-2008494D

ALLIED APPRAISAL CONSULTANTS PTE LTD

This valuation report is subject to the following limiting conditions :-

LIMITING CONDITIONS

1 The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the The Singapore Institute of Surveyors and Valuers and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.

2 This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. We disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to us.

3 The appraisal report is to be used only for the purpose stated therein. It may be disclosed to other professional advisers assisting the client in respect of that purpose, but the client shall not disclose the report to any other person. The valuer's responsibility in connection with this report is limited only to the client to whom the report is addressed. We disclaim any liability should it be used by any other person or for any other purpose(s) or beyond a reasonable time.
The values assessed in this report for the subject property and any allocation of values between parts of the property apply only in the terms of and for the purpose of this report. The values assessed should not be used in conjunction with any other assessment as they may prove incorrect if so used.

4 Where it is stated in the report that information has been supplied to the valuer by another party, this information is believed to be reliable and the valuer can accept no responsibility if this should prove not to be so. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. We accept no responsibility for investigations into title, searches, enquiry, requisitions and other legal matters.

5 Any market projections incorporated in our report but not limited to, income, expenditure, associated growth rates and other variables are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.

6 While due care is taken to note building defects in the course of inspection, no structural survey is made and no guarantee is given in respect of rot, termite or pest infestation or other hidden defects. The building services /facilities, unexposed or inaccessible parts of the building will not be tested but will be presumed to be in good working order. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.

7 We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and when new development is proposed, no extraordinary expenses and delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.

8 We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on the available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation

9 All existing liens and encumbrances, if any, have been disregarded, and the property is valued as tendered unless specifically requested for and to be properly reimbursed.

10 No requisition on road or drainage proposals has been made. Such information will not be tendered unless specifically requested for and to be properly reimbursed.

11 The property as currently used is presumed not to be in contravention of any planning or similar regulations. We shall not be responsible if it is otherwise. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation Licence by the Competent Authority.

12 Machinery and/or equipment are normally listed in complete working units including all accessories, subsidiary parts and motors making up the unit.

13 The valuer is not required to give testimony or to appear in court, or tribunal, or government agency by reason of this report unless specific arrangement has been made thereof and we be properly reimbursed.

14 All Location Plans are obtained from Streetdirectory.com or internet sources. Whilst we do make every endeavour to update the maps as far as it is possible, we do not vouch for the accuracy of the maps and shall not be responsible if it is otherwise.

15 Our maximum liability to the client relating to our services rendered (regardless of action whether in contract, negligence or otherwise) shall be limited to fees paid for engaging our services. Under no circumstances will we be liable for consequential, incidental, punitive or special losses, damage or expenses (including opportunity costs and loss of profits) despite being advised of their possible existence. Our directors and employees shall have no liability in respect of their private assets.

16 Neither the whole nor any part of this valuation and report or any reference to it may be included in any published document, circular to statement nor published in any way without the valuer's prior written approval of the form and context in which it may appear.

17 This appraisal report is not valid unless it bears the service seal of Allied Appraisal Consultants Private Limited with an accompanying signature.

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F.A.O. Ong Eng Loke

Pumbledon Limited
c/o Hwa Hong Corporation Limited
38 South Bridge Road
Singapore 058672

02 June 2022

Our Reference: U0019780

Instructions: In accordance with your emailed instructions dated 21 May 2022, and our subsequent Engagement Letter dated 01 June 2022, we have pleasure in reporting as follows.

Copies of the engagement documentation are attached at Appendix i.

Property: Flat 2, 15-17 Hornton Street, London W8 7NP

Addressee: Pumbledon Limited

Purpose of Valuation: The valuation is required to advise on the market value of the property in connection with the voluntary conditional general offer for all the issued and paid-up ordinary shares in the share capital of Hwa Hong Corporation Limited and for inclusion in Hwa Hong's circular in relation to the Offer.

Valuation Standards: For the avoidance of doubt, we can confirm that this report has been prepared in accordance with the RICS Valuation – Global Standards effective from 31 January 2022, commonly known as RICS Red Book Global Standards. We refer in this report to those Global Standards and the national standards and guidance set out in UK national supplement 2018 [collectively "the Standards"].

Definitions of the valuation bases adopted together with the various assumptions made when undertaking our valuation are set out in the Terms and Conditions within our original report.

Limitations on Liability: As confirmed in our Engagement Letter, we confirm that we have professional indemnity insurance in place and our maximum liability to the Addressee whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with this project both before and after the date of this letter shall not in aggregate exceed 50% of the relevant value reported as defined in the Standards at the required valuation date, or £5 million, whichever is the lesser amount. For the avoidance of doubt, we confirm that the above liability extends to the Addressee only, and no other parties.

Basis of Value: In accordance with your instructions, we have provided opinions of value on the following basis:

- Market Value

Date of Valuation: 30 April 2022

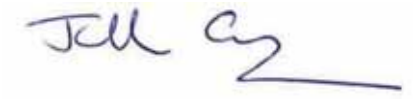
Date of Inspection: 31 May 2022

Location	Located in Kensington, a Prime Central London suburb lying approximately two and a half miles west of London's West End close to Hyde Park/Kensington Palace. More particularly the subject property lies on the west side of Hornton Street, 300 metres north of Kensington High Street thus within easy reach of the wide range of shops and amenities available there.
Property Description	The subject property comprises a lower ground floor two-bedroom two-bathroom flat within a converted six-storey mid-terraced Victorian building.
Listed Building	No
Condition	Very good. Refurbished in recent years
Floor Area	90.87 sq m (1,061 sq ft) GIA (Gross Internal Area)
EPC Rating	C74
Tenure	Leasehold (assumed to be approximately 125 years at a peppercorn ground rent).
Tenancy	Vacant.
Market Commentary:	Despite the general economic uncertainty in the UK over the last two years caused by (amongst other things) the Coronavirus pandemic, BREXIT, and now the situation in Ukraine, according to the House Price Index the market for 'flats and maisonettes' within the Royal Borough of Kensington & Chelsea has remained relatively stable over that period with growth of 2.91% in the two years to February 2022. The same index, which is derived from Land Registry data, shows the subsequent average price for a flat/maisonette in the area at £1,180,890 in February this year, the last available dataset.
Market Conditions Explanatory:	Economic impacts related to the ongoing conflict in Ukraine, including related economic sanctions such as those being imposed on Russia may impact certain real estate markets globally. The COVID-19 pandemic and measures to tackle it also continue to affect economies globally. Notwithstanding the impacts referenced above, as at the valuation date property markets are mostly functioning, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly - and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.
Market Value	We are of the opinion that the Market Value of the of the Property as at the valuation date, was in the sum of: **£1,050,000** **(One Million and Fifty Thousand Pounds)**
Valuation Assumptions:	When preparing this valuation, we have made the following assumptions: • We have not had sight of a Report on Title for the property and have therefore assumed an unexpired lease term of approximately 125 years at a peppercorn ground rent.

- The property was vacant on inspection and we have valued accordingly.
- None of the services were tested at the time of inspection, but, for the purpose of the valuation reported herein, we have assumed all services to be fully operational.
- As per your instruction and our Terms of Engagement the inspection we have carried out was for valuation purposes only and did not include a full building survey.
- Upon inspection we did not notice any obvious sign of deleterious and/or hazardous materials. Accordingly, for the purpose of the valuation reported herein we have assumed that the subject property is free from such materials.
- We have assumed that the property in its current configuration and use benefits from all the appropriate planning and building regulation approvals.

Sign-off

This report has been prepared by Jim Parker MRICS and checked by Jonathan Godfrey MRICS who are both RICS Registered Valuers.





Jonathan Godfrey MRICS, RICS Registered Valuer
Partner

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Jim Parker MRICS, RICS Registered Valuer
Senior Associate

For and on behalf of Gerald Eve LLP
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F.A.O. Ong Eng Loke

Thackeray Properties Limited
c/o Hwa Hong Corporation Limited
38 South Bridge Road
Singapore 058672

02 June 2022

Our Reference: U0019780

Instructions:	In accordance with your emailed instructions dated 21 May 2022, and our subsequent Engagement Letter dated 01 June 2022, we have pleasure in reporting as follows. Copies of the engagement documentation are attached at Appendix i.
Property:	Flat 2, 115B Queen's Gate, London SW7 5LP
Addressee:	Thackeray Properties Limited
Purpose of Valuation:	The valuation is required to advise on the market value of the property in connection with the voluntary conditional general offer for all the issued and paid-up ordinary shares in the share capital of Hwa Hong Corporation Limited and for inclusion in Hwa Hong's circular in relation to the Offer.
Valuation Standards:	For the avoidance of doubt, we can confirm that this report has been prepared in accordance with the RICS Valuation – Global Standards effective from 31 January 2022, commonly known as RICS Red Book Global Standards. We refer in this report to those Global Standards and the national standards and guidance set out in UK national supplement 2018 [collectively "the Standards"]. Definitions of the valuation bases adopted together with the various assumptions made when undertaking our valuation are set out in the Terms and Conditions within our original report.
Limitations on Liability:	As confirmed in our Engagement Letter, we confirm that we have professional indemnity insurance in place and our maximum liability to the Addressee whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with this project both before and after the date of this letter shall not in aggregate exceed 50% of the relevant value reported as defined in the Standards at the required valuation date, or £5 million, whichever is the lesser amount. For the avoidance of doubt, we confirm that the above liability extends to the Addressee only, and no other parties.
Basis of Value:	In accordance with your instructions, we have provided opinions of value on the following basis: • Market Value
Date of Valuation:	30 April 2022
Date of Inspection:	31 May 2022

Location	Located in South Kensington, a Prime Central London suburb lying approximately two and a quarter miles south west of London's West End close to the south of Hyde Park. More particularly the subject property lies on the east side of Queen's Gate on the corner of Manson Place, 300 metres west of South Kensington underground station and the range of local shops and amenities available on the roads surrounding it.
Property Description	The subject property comprises a ground floor one-bedroom flat within a converted mid-terraced Victorian building.
Listed Building	Grade II
Condition	Very good. Refurbished recently
Floor Area	60.76 sq m (654 sq ft sq ft) plus 13.84 sq m (149 sq ft) of reduced (1.63 m) head height Total 74.6 sq m (803 sq ft) GIA (Gross Internal Area).
EPC Rating	E51
Tenure	Leasehold (assumed to be approximately 125 years at a peppercorn ground rent).
Tenancy	Vacant.
Market Commentary:	Despite the general economic uncertainty in the UK over the last two years caused by (amongst other things) the Coronavirus pandemic, BREXIT, and now the situation in Ukraine, according to the House Price Index the market for 'flats and maisonettes' within the Royal Borough of Kensington & Chelsea has remained relatively stable over that period with growth of 2.91% in the two years to February 2022. The same index, which is derived from Land Registry data, shows the subsequent average price for a flat/maisonette in the area at £1,180,890 in February this year, the last available dataset.
Market Conditions Explanatory:	Economic impacts related to the ongoing conflict in Ukraine, including related economic sanctions such as those being imposed on Russia may impact certain real estate markets globally. The COVID-19 pandemic and measures to tackle it also continue to affect economies globally. Notwithstanding the impacts referenced above, as at the valuation date property markets are mostly functioning, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly - and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.
Market Value	We are of the opinion that the Market Value of the of the Property as at the valuation date, was in the sum of: **£1,050,000** **(One Million and Fifty Thousand Pounds)**

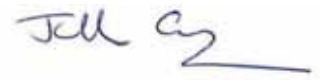
Valuation Assumptions:

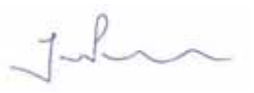
When preparing this valuation, we have made the following assumptions:

- We have not had sight of a Report on Title for the property and have therefore assumed an unexpired lease term of approximately 125 years at a peppercorn ground rent.
- The property was vacant on inspection and we have valued accordingly.
- None of the services were tested at the time of inspection, but, for the purpose of the valuation reported herein, we have assumed all services to be fully operational.
- As per your instruction and our Terms of Engagement the inspection we have carried out was for valuation purposes only and did not include a full building survey.
- Upon inspection we did not notice any obvious sign of deleterious and/or hazardous materials. Accordingly, for the purpose of the valuation reported herein we have assumed that the subject property is free from such materials.
- We have assumed that the property in its current configuration and use benefits from all the appropriate planning and building regulation approvals.

Sign-off

This report has been prepared by Jim Parker MRICS and checked by Jonathan Godfrey MRICS who are both RICS Registered Valuers.





Jonathan Godfrey MRICS, RICS Registered Valuer
Partner

For and on behalf of Gerald Eve LLP
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Jim Parker MRICS, RICS Registered Valuer
Senior Associate

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Gerald Eve LLP is a limited liability partnership registered in England and Wales (registered number OC339470) and is regulated by the RICS. The term partner is used to refer to a member of Gerald Eve LLP or an employee or consultant with equivalent standing and qualifications. A list of members and non-members who are designated as partners is open to inspection at our registered office; 72 Welbeck Street, London W1G 0AY and on our website.

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c/o Hwa Hong Corporation Limited
38 South Bridge Road
Singapore 058672

72 Welbeck Street London W1G 0AY

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geraldeve.com

02 June 2022

Our Reference: U0019780

Instructions: In accordance with your emailed instructions dated 21 May 2022, and our subsequent Engagement Letter dated 01 June 2022, we have pleasure in reporting as follows.

Copies of the engagement documentation are attached at Appendix i.

Property: Raffles Lodge, 1A Manson Place, London SW7 5LT

Addressee: Thackeray Properties Limited

Purpose of Valuation: The valuation is required to advise on the market value of the property in connection with the voluntary conditional general offer for all the issued and paid-up ordinary shares in the share capital of Hwa Hong Corporation Limited and for inclusion in Hwa Hong's circular in relation to the Offer.

Valuation Standards: For the avoidance of doubt, we can confirm that this report has been prepared in accordance with the RICS Valuation – Global Standards effective from 31 January 2022, commonly known as RICS Red Book Global Standards. We refer in this report to those Global Standards and the national standards and guidance set out in UK national supplement 2018 [collectively "the Standards"].

Definitions of the valuation bases adopted together with the various assumptions made when undertaking our valuation are set out in the Terms and Conditions within our original report.

Limitations on Liability: As confirmed in our Engagement Letter, we confirm that we have professional indemnity insurance in place and our maximum liability to the Addressee whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with this project both before and after the date of this letter shall not in aggregate exceed 50% of the relevant value reported as defined in the Standards at the required valuation date, or £5 million, whichever is the lesser amount. For the avoidance of doubt, we confirm that the above liability extends to the Addressee only, and no other parties.

Basis of Value: In accordance with your instructions, we have provided opinions of value on the following basis:

- Market Value

Date of Valuation: 30 April 2022

Date of Inspection: 31 May 2022

Location	Located in South Kensington, a Prime Central London suburb lying approximately two and a quarter miles south west of London's West End close to the south of Hyde Park. More particularly the subject property lies on the north side of Manson Place at its junction with Queen's Gate, 300 metres west of South Kensington underground station and the range of local shops and amenities available on the roads surrounding it.
Property Description	The subject property comprises a ground floor and basement level maisonette that is currently in the process of being fully refurbished to provide a two-bedroom two-bathroom dwelling. Internally, the property has been stripped back to the original brickwork in many areas and requires substantial works to become habitable with costs budgeted by the owners at approximately £45,000.
Listed Building	Grade II
Condition	Unmodernised/uninhabitable, currently in the process of being refurbished.
Floor Area	117.48 sq m GIA (Gross Internal Area).
EPC Rating	Not applicable. Will require new EPC on completion of works.
Tenure	Leasehold (assumed to be approximately 125 years at a peppercorn ground rent).
Tenancy	Vacant.
Market Commentary:	Despite the general economic uncertainty in the UK over the last two years caused by (amongst other things) the Coronavirus pandemic, BREXIT, and now the situation in Ukraine, according to the House Price Index the market for 'flats and maisonettes' within the Royal Borough of Kensington & Chelsea has remained relatively stable over that period with growth of 2.91% in the two years to February 2022. The same index, which is derived from Land Registry data, shows the subsequent average price for a flat/maisonette in the area at £1,180,890 in February this year, the last available dataset.
Market Conditions Explanatory:	Economic impacts related to the ongoing conflict in Ukraine, including related economic sanctions such as those being imposed on Russia may impact certain real estate markets globally. The COVID-19 pandemic and measures to tackle it also continue to affect economies globally. Notwithstanding the impacts referenced above, as at the valuation date property markets are mostly functioning, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly - and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.
Market Value	We are of the opinion that the Market Value of the of the Property as at the valuation date, was in the sum of: **£1,400,000** **(One Million Four Hundred Thousand Pounds)**

Market Value on the Special Assumption

We are of the opinion that the Market Value of the of the Property on the Special Assumption that ongoing development works had been completed as at the valuation date, was in the sum of:

£1,600,000

(One Million Six Hundred Thousand Pounds)

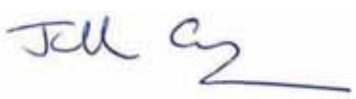
Valuation Assumptions:

When preparing this valuation, we have made the following assumptions:

- We have not had sight of the proposed specification or detailed budget associated with the ongoing refurbishment works at Raffles Lodge. We have therefore assumed that the £45,000 cost indicated by your representatives are a realistic sum to complete the works to a very good standard commensurate with the upper end of expectations of buyers in the local market
- We have not had sight of a Report on Title for the property and have therefore assumed an unexpired lease term of approximately 125 years at a peppercorn ground rent.
- The property was vacant on inspection and we have valued accordingly.
- None of the services were tested at the time of inspection, but, for the purpose of the valuation reported herein, we have assumed all services to be fully operational.
- As per your instruction and our Terms of Engagement the inspection we have carried out was for valuation purposes only and did not include a full building survey.
- Upon inspection we did not notice any obvious sign of deleterious and/or hazardous materials. Accordingly, for the purpose of the valuation reported herein we have assumed that the subject property is free from such materials.
- We have assumed that the property in its current configuration and use benefits from all the appropriate planning and building regulation approvals.

Sign-off

This report has been prepared by Jim Parker MRICS and checked by Jonathan Godfrey MRICS who are both RICS Registered Valuers.





Jonathan Godfrey MRICS, RICS Registered Valuer
Partner

For and on behalf of Gerald Eve LLP
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Jim Parker MRICS, RICS Registered Valuer
Senior Associate

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Report & Valuation

A portfolio of three UK properties

27 May 2022

Ref: EMCS/ BMT

Hwa Hong Corporation Limited
38 South Bridge Road #03-01
Singapore
058672

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Dear Sirs,

PROPERTIES: 20 MIDTOWN, 2-29 PROCTER STREET, LONDON, WC1V 6NX
20 GARRETT STREET, LONDON, EC1Y 0TW
OLD POST OFFICE, FITZALAN SQUARE, SHEFFIELD, S1 1AB

In accordance with the instructions contained in our letter to you dated 25 May 2022, we have carried out inspections of the properties, three mixed use buildings, and made such enquiries as are sufficient to provide you with our opinion of value on the bases stated below. A copy of our letter of confirming instructions is enclosed at **Appendix 1**.

We draw your attention to our accompanying Report together with the General Assumptions and Conditions upon which our Valuation has been prepared, details of which are provided at the rear of our report. We trust that our report meets your requirements, however should you have any queries, please do not hesitate to contact us.

Yours faithfully

For and on behalf of Savills Advisory Services Limited

EDWARD SHAKESPEARE MRICS
RICS Registered Valuer
Director

BRYONY MORRISH THOMAS MRICS
RICS Registered Valuer
Associate Director

JOE HENDERSON MRICS
RICS Registered Valuer
Associate

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

Savills Advisory Services Limited. Chartered Surveyors. Regulated by RICS. A subsidiary of Savills plc. Registered in England No. 6215875.
Registered office: 33 Margaret Street, London, W1G 0JD

1. Instructions and Terms of Reference

1.1. Instructions and Report Reliance

1.1.1. Report Reliance and Disclosure

This report is addressed to and capable of being relied upon by Hwa Hong Corporation Limited.

Our Report shall be confidential to, and for the use only of, the Addressee(s) and no responsibility shall be accepted to any third party for the whole or any part of its contents.

Neither the whole nor any part of our Report or any reference to it may be included in any published document, circular or statement, nor published, reproduced, referred to or used in any way without our prior written approval (with such approval to be given or withheld at our absolute discretion).

Notwithstanding the foregoing, we confirm that we consent in principle to our Report, or a summary of our Report,being included in a prospectus/offering memorandum/any ongoing investor materials (the Materials) in connection with the voluntary conditional general offer for all the issued and paid-up ordinary shares in the share capital of Hwa Hong Corporation Limited (the Proposed Transaction), provided that:

(a) the Report or any summary shall not be published until such time as we have first approved the form and context in which the Report or summary appears (such approval not to be unreasonably withheld or delayed) and are satisfied that the Report has been accurately reproduced or the summary is sufficiently accurate and comprehensive (as the case may be);

(b) the Materials shall make clear that, with the exception of the Report or summary, Savills does not accept any responsibility for any part of the Materials or any other information issued by Hwa Hong Corporation Limited or any other person in connection with the Proposed Transaction;

(c) such Report or summary complies in all respects with the requirements of the Red Book and any applicable regulations or directives; and

(d) if, in our opinion, any part of our Report becomes misleading or inaccurate between the date of issue of the Report and the date of issue of any Materials we reserve the right to withdraw our consent to your use of our Report or the summary unless and until we have made such amendments to it as we (acting reasonably and without undue delay) deem necessary or desirable, notwithstanding that our doing so may necessitate deferral of publication of the relevant materials.

1.1.2. Instructions and Bases of Valuation

You have instructed us to provide our opinions of value on the following bases:

- The current Market Value of the freehold/ leasehold interests, subject to and with the benefit of the existing leases, and otherwise with vacant possession (“Market Value”);

The three properties for which we provide RICS Red Book valuations are listed below and described in the Property Appendix Reports (the "PARs"), which are contained in the respective appendices.

Appendix Number	Address
2	20 Midtown, 2-29 Procter Street, London, WC1V 6NX
3	20 Garrett Street, London, EC1Y 0TW
4	Old Post Office, Fitzalan Square, Sheffield, S1 1AB

1.1.3. General Assumptions and Conditions

All our valuations have been carried out on the basis of the General Assumptions and Conditions set out in the relevant section towards the rear of this report.

1.1.4. Date of Valuation

Our opinions of value are as at 30 April 2022. The importance of the date of valuation must be stressed as property values can change over a relatively short period.

Market Conditions – Conflict in Ukraine

Following the invasion of the Ukraine by the Russian military on 24 February 2022, there has been an immediate impact on the global economy due, in part, to sanctions imposed on Russia, Russian businesses and Russian individuals, rising oil and gas prices and the restriction of exported goods from Ukraine and Russia. It remains to be seen what impact this will have on the UK economy, including inflation and interest rates, and the property markets. We continue to monitor the situation closely and in due course, it may be appropriate for us to reflect further on our market commentary and any potential impact on value. Accordingly we stress the importance of the valuation date. For the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined in the RICS Valuation – Global Standards.

1.1.5. Definitions of Market Value and Market Rent

In undertaking our valuations, we have adopted the definitions of Market Value and Market Rent as defined in the RICS Red Book, as detailed below:

Market Value (MV) is defined in IVS 104 paragraph 30.1 as:

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

Market Rent (MR) is defined in IVS 104 paragraph 40.1 as:

"The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

1.1.6. Purpose of Valuations

You instruct us that our valuations are required for regulatory purposes in connection with an offering circular to be issued by Hwa Hong Corporation Limited ("the Company") in Singapore.

1.1.7. Conflicts of Interest

We confirm that Savills Advisory Services Limited does not have a material connection or involvement with the subject properties or the Borrower/ Sponsor, and there are no other factors that could limit the valuers' ability to provide an impartial and independent valuation. Accordingly, we are reporting on an objective and unbiased basis.

In respect of the two properties in central London, 20 Midtown and 20 Garrett Street, as previously confirmed we have valued these two properties on behalf of the Company's lenders' for loan security purposes, most recently undercover of our reports and valuations dated 3 February 2022. We also confirm that we prepared year end accounts valuations for the company as at 31 December 2021.

We do not consider the above to form a conflict of interest in providing the valuation report to the lenders.

1.1.8. Valuer Details and Inspection

The due diligence enquiries referred to below were undertaken by Bryony Morrish-Thomas MRICS, Joe Henderson MRICS and Nikki Stoughton-Harris MSc. The valuations have also been reviewed by Edward Shakespeare MRICS.

Old Post Office, Fitzalan Square, Sheffield was inspected on 25 May 2022 by Joe Henderson MRICS. The weather on the date of the inspection was dry. 20 Midtown and 20 Garrett Street have been inspected by Edward Shakespeare MRICS previously and the Company has confirmed that there has been no material changes to the properties since the previous inspection.

All those above with MRICS qualifications are also RICS Registered Valuers. Furthermore, in accordance with VPS 3.2, we confirm that the aforementioned individuals have sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.1.9. Extent of Due Diligence Enquiries and Information Sources

The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuation are stated in the relevant sections of our report.

We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.

1.1.10. Liability Cap

Our letter confirming instructions at **Appendix 1** includes details of any liability cap.

1.1.11. RICS Compliance

This report has been prepared in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2022 together, where applicable, with the UK National Supplement effective 14 January 2019, together the ''Red Book'.

Our report in accordance with those requirements is set out below.

1.1.12. Verification

Our valuations are based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of this report.

We recommend these points are confirmed, either by verification of individual points or by judgement of the relevance of each particular point in the context of the purpose of our valuations. Our valuations should not be relied upon pending this verification process.

1.1.13. Confidentiality and Responsibility

Finally, in accordance with the recommendations of the RICS, we would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the party to whom it is addressed only, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this report at their own risk. Neither the whole nor any part of this report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

1.2. Terms of Reference

1.2.1. Inspections

As noted above, we inspected sample floors at each property. In each case, we assume that there are no structural or inherent defects.

1.2.2. Due Diligence Property Information

We have been provided with floor areas and, where available, building surveys and environmental reports by the Company. We have had regards to the contents of these reports and have taken our own due diligence in respect of these matters and have had regard to this in arriving at our opinions of value as reported. We assume the floor areas provided to us are complete and correct.

For the avoidance of doubt our inspection of the properties do not constitute a building survey. As such, where we make comments as to the general condition of the buildings within the PARs, this is done on a no liability basis.

Our valuations are on the basis that each property is connected, or capable of being connected without undue expense, to the public services of electricity, water, telephones and sewerage.

We have valued the properties on the basis that the risk of contaminated land liabilities in their current use is low.

Our valuations assume that the properties have been constructed and are used in accordance with a valid planning permission and are not subject to any onerous planning conditions or restrictions. Further, we assume that the properties are not adversely affected, nor are they likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice.

1.2.3. Tenure

We have previously been provided with legal reports, to include Certificates of Title. In respect of these Certificates of Titles, we confirm that the Property is the property valued in our valuation report and we have taken the Certificates into account in arriving at our opinions of value. The Company has confirmed that it is not aware of any material changes to the tenure of the properties since the preparation of the Certificates of Title provided.

1.2.4. Leases

We have not reviewed copies of the leases. We have relied on the tenancy information provided to us by the Company. We assume that all leases are drafted on standard terms with effective full repairing and insuring clauses, unless otherwise stated.

2. Property Overview

We summarise the properties as follows;

Appendix Number	Address	Photograph	Overview Commentary
2	20 Midtown, 2-29 Procter Street, London, WC1V 6NX		• A seven storey mixed-use office and retail building extending to approximately 30,956 sq ft (2,876 sq m). • The office accommodation extends to circa 23,441 sq ft (2,178 sq m) and the retail accommodation extends to circa 7,515 sq ft (698 sq m). • The property is located in Holborn in central London.

Appendix Number	Address	Photograph	Overview Commentary
3	20 Garrett Street, London, EC1Y 0TW		• A "warehouse style" office building extending to 17,500 sq ft (1,627 sq m). • The property is currently in the process of extensive refurbishment expected to complete at the end of August 2022. • The building is vacant and held both freehold and leasehold. • The property is located near Old Street in central London.
4	Old Post Office, Fitzalan Square, Sheffield, S1 1AB		• Grade II listed former post office building extending to approximately 58,839 sq ft (5,466.33 sq m). • The building has been refurbished to provide an education facility with associated office uses. • The property is located in central Sheffield.

3. Market Commentary

We attach a macro-economic market commentary at **Appendix 5.** In respect of the two buildings in central London, we attach at the rear of **Appendix 5** the City office market report which outlines market conditions in the office sector at the time of reporting.

4. Valuations

4.1. Approach To Valuation

We comment on the principal valuation considerations affecting the value of each property in the individual PARs. We have valued the properties using the comparable, investment and residual methods of valuation, having regard to comparable evidence and market sentiment. Key transactions to support our valuations are highlighted in the individual PARs.

4.2. Valuations

We attach our Argus Enterprise valuation print outs at **Appendix 6.**

Our opinions of value of each property are as follows:

Property	Current Headline Market Rent Per Annum	April 2022 Headline Market Value Per Annum	Capital Value per sq ft	Net Initial Yield
20 Midtown, 2-29 Procter Street, London, WC1V 6NX	£1,686,650	£25,000,000	£822	2.62%
20 Garrett Street, London, EC1Y 0TW	*£1,142,000	£16,500,000	*£914	-
Old Post Office, Fitzalan Square, Sheffield, S1 1AB	£225,000	£2,800,000	£48	6.04%
Total	**£3,053,650**	**£44,300,000**		

**Property currently subject to refurbishment, Market Rent and capital value per sq ft assumed completion of refurbishment works. Market Value assumes status of refurbishment works as at the valuation date.*

4.2.1. Market Value as at 30 April 2022

Having carefully considered the properties, as described in this report, we are of the opinion that the aggregate current Market Value of the freehold and leasehold interests, subject to and with the benefit of the existing leases, and otherwise with vacant possession, is in the order of:

£44,300,000
(FORTY FOUR MILLION AND THREE HUNDRED THOUSAND POUNDS)

Each property has been valued individually and not as a portfolio. In arriving at our opinions of Market Value, we have assumed asset sales and allowed for purchaser's costs of c. 6.8% (i.e. Stamp Duty at the prevailing rate plus agent fees (1.0%), legal fees (0.5%) and VAT at 20% on these professional fees).

4.2.2. Stabilised Value as at 30 April 2022

Two of the properties, being those forming 20 Midtown and 20 Garrett Street are currently subject to asset management proposals to include capex refurbishment works and letting up vacant office space. On this basis you also seek our opinion of value on the basis that the capex works, where applicable, are complete and that the property is fully let and income producing at our opinion of rental value, i.e. the Stabilised Value. The Old Post Office, Sheffield is fully let and income producing and therefore there is not active asset management proposal is place and it forms a stabilised asset.

Having carefully considered the properties, as described in this report, we are of the opinion that the aggregate current Market Value of the freehold and leasehold interests, subject to and with the benefit of the existing leases, and on the Special Assumption that current refurbishment works are complete and that existing vacant space it let up and income producing at our opinion of Market Rent , is in the order of:

£58,800,000
(FIFTY EIGHT MILLION AND EIGHT HUNDRED THOUSAND POUNDS)

Each property has been valued individually and not as a portfolio.

We summarise our opinions of value on this basis as follows:

Property	Stabilised Value
20 Midtown, 2-29 Procter Street, London, WC1V 6NX	£32,250,000
20 Garrett Street, London, EC1Y 0TW	£23,750,000
Old Post Office, Fitzalan Square, Sheffield, S1 1AB	£2,800,000
Total	**£58,800,000**

Our valuations have been carried out on the basis of the various specific assumptions referred to in the text of this report and are on the basis of the General Assumptions and Conditions listed in Section 5.

5. General Assumptions and Conditions

Unless otherwise agreed in writing and / or stated in our report, our Valuation will be carried out on the basis of the following general assumptions and conditions in relation to each Property that is the subject of our Report. If any of the following assumptions or conditions are not valid, this may be that it has a material impact on the figure(s) reported and in that event we reserve the right to revisit our calculations.

1. That the Properties not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. Should there be any mortgages or charges, we have assumed that the properties would be sold free of them. We have not inspected the Title Deeds or Land Registry Certificate.

2. That we have been supplied with all information likely to have an effect on the value of the Properties, and that the information supplied to us and summarised in this Report is both complete and correct.

3. That the buildings have been constructed and are used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control and any future construction or use will be lawful.

4. That the Properties are not adversely affected, nor likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).

5. That the buildings are structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in parts of the building(s) we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection of the Properties and our Report do not constitute a building survey or any warranty as to the state of repair or refurbishment of the Properties. Our Valuation is on the basis that a building survey would not reveal material defects or cause us to alter our Valuation materially.

6. That there is unrestricted access to the Properties and that they are connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.

7. Sewers, mains services and roads giving access to the Properties have been adopted, and any lease provides rights of access and egress over all communal estate roadways, pathways, corridors, stairways and the use of communal grounds, parking areas and other facilities.

8. That in the construction or alteration of the buildings no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.

9. That the Properties are free from environmental hazards and has not suffered any land contamination in the past, nor are they likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.

10. That any tenants are capable of meeting their obligations, and that there are no arrears of rent or undisclosed breaches of covenant.

11. In the case of a Property where we have been asked to value the site under the special assumption that the Property will be developed, there are no adverse site or soil conditions, that the Property is not adversely affected by the Town and Country Planning (Environmental Impact Assessment) Regulations 2017 that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our Valuation.

12. We will not make any allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the Property.

13. Our Valuation will be exclusive of VAT (if applicable).

14. No allowance will be made for any expenses of realisation.

15. Excluded from our Valuation will be any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.

16. When valuing two or more properties, or a portfolio, each property will be valued individually and no allowance will be made, either positive or negative, should it form part of a larger disposal. The total stated will be the aggregate of the individual Market Values.

17. In the case of a Property where there is a distressed loan we will not take account of any possible effect that the appointment of either an Administrative Receiver or a Law of Property Act Receiver might have on the perception of the Property in the market and its/their subsequent valuation, or the ability of such a Receiver to realise the value of the properties in either of these scenarios.

18. No allowance will be been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and it will be assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EU legislation, insofar that the latter is applicable.

19. Our Valuation will be based on market evidence which has come into our possession from numerous sources, including other agents and valuers and from time to time this information is provided verbally. Some comes from databases such as the Land Registry or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions being used as comparables in our Report, we are unable to warrant that the information on which we have relied is correct.