

CIRCULAR DATED 6 APRIL 2018

THIS CIRCULAR IS ISSUED BY TAT HONG HOLDINGS LTD (THE “COMPANY”). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE IFA (AS DEFINED HEREIN). THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

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

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

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



TAT HONG HOLDINGS LTD

(Company Registration Number 199105392H)
(Incorporated in the Republic of 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

THSC INVESTMENTS PTE. LTD.

(Company Registration Number 201735548R)
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of the Company other than those already held, directly or indirectly, by THSC Investments Pte. Ltd.

Independent Financial Adviser to the Independent Directors



AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, SINGAPORE BRANCH

(Company Registration Number 005357522)
(Incorporated in Australia)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT THE OFFER WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME) ON 26 APRIL 2018 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

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

CONTENTS

	Page
DEFINITIONS	2
 LETTER TO SHAREHOLDERS	
1. Introduction	9
2. The Offer	9
3. Irrevocable Undertakings and the Roll-Up Arrangement	11
4. Rationale for the Offer and the Offeror's Intentions Relating to the Company	13
5. Listing Status and Compulsory Acquisition	15
6. Information on the Offeror, SCPE and TH60	16
7. Exemption relating to Directors' Recommendation	18
8. Advice of the IFA	18
9. Recommendation of the Independent Directors	20
10. Overseas Shareholders	20
11. Information Pertaining to CPFIS Investors and SRS Investors	21
12. Action to be taken by the Shareholders	22
13. Responsibility Statement	22
 APPENDICES	
Appendix 1 Letter from the IFA to the Independent Directors in respect of the Offer. . .	23
Appendix 2 General Information	66
Appendix 3 Information on the Offeror and TH60	74
Appendix 4 Audited Consolidated Statements of Financial Position of the Group as at 31 March 2016 and 31 March 2017	83
Appendix 5 Profit Guidance Statement	84
Appendix 6 Report from the Auditor in respect of the Profit Guidance Statement	85
Appendix 7 Report from the IFA in respect of the Profit Guidance Statement	88
Appendix 8 Unaudited Consolidated Financial Statements of the Group for 9MFY2018	90
Appendix 9 Report from the Auditor in respect of the 9MFY2018 Results	111
Appendix 10 Report from the IFA in respect of the 9MFY2018 Results	113
Appendix 11 Significant Accounting Policies of the Group for FY2017	114
Appendix 12 Relevant Extracts from the Company's Constitution	138

DEFINITIONS

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

“3QFY2018”	:	Has the meaning ascribed to it in paragraph 1 of Appendix 5 to this Circular
“9MFY2018”	:	The nine-month period ended 31 December 2017
“9MFY2018 Results”	:	The unaudited consolidated financial statements of the Group for 9MFY2018 which were released by the Company on SGXNET on 13 February 2018
“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“AIF Irrevocable Undertaking”	:	Has the meaning ascribed to it in paragraph 5.2 of the Offer Document
“Assigning Ng Family Undertaking Shareholders”	:	Has the meaning ascribed to it in paragraph 5.1(c) of the Offer Document
“Assignment”	:	Has the meaning ascribed to it in paragraph 5.1(c) of the Offer Document
“Auditor”	:	KPMG LLP, being the auditor of the Company
“Auditor 9MFY2018 Results Report”	:	The report issued by the Auditor in respect of the 9MFY2018 Results, as set out in Appendix 9 to this Circular
“Auditor Profit Guidance Report”	:	The report issued by the Auditor in respect of the Profit Guidance Statement, as set out in Appendix 6 to this Circular
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 6 April 2018 in relation to the Offer
“Closing Date”	:	5.30 p.m. (Singapore time) on 26 April 2018 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 for the Offer
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“Company”	:	Tat Hong Holdings Ltd

“Company Securities”	:	(i) The Shares; (ii) securities which carry voting rights in the Company; and (iii) convertible securities, warrants, options or Derivatives in respect of the Shares or securities which carry voting rights in the Company
“Constitution”	:	The constitution of the Company
“CPFIS Investors”	:	Investors who have purchased Shares using their Central Provident Fund contributions pursuant to the Central Provident Fund Investment Scheme
“CRPS”	:	Has the meaning ascribed to it in paragraph 7 of Appendix 2 to this Circular
“Derivatives”	:	Includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities
“Directors”	:	The directors of the Company (including the Independent Directors) as at the Latest Practicable Date
“Distribution”	:	Has the meaning ascribed to it in Section 2.3(iii) of this Circular
“Encumbrances”	:	Has the meaning ascribed to it in Section 2.3(ii) of this Circular
“ESOS 2006”	:	Tat Hong Employee Share Option Scheme 2006
“FAA”	:	Form of Acceptance and Authorisation for Offer Shares which forms part of the Offer Document and which is issued to Shareholders whose Offer 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 Offer Shares are not deposited with CDP and are registered in such Shareholder’s name in the register of members maintained by the Registrar (as defined in the Offer Document)
“FRSs”	:	Has the meaning ascribed to it in paragraph 10.2 of Appendix 2 to this Circular
“FY”	:	Financial year ended or ending (as the case may be) 31 March of a particular year as stated
“Group”	:	The Company and its subsidiaries

“Holding Announcement”	:	The announcement by the Company on the Holding Announcement Date that the Company has received a non-binding letter from SCPE confirming its proposal to acquire the Shares
“Holding Announcement Date”	:	10 November 2017, being the date of the Holding Announcement
“IFA” or “ANZ”	:	Australia and New Zealand Banking Group Limited, Singapore Branch, being the independent financial adviser to the Independent Directors in connection with the Offer
“IFA 9MFY2018 Results Report”	:	The report issued by the IFA in respect of the 9MFY2018 Results, as set out in Appendix 10 to this Circular
“IFA Letter”	:	Has the meaning ascribed to it in Section 8 of this Circular
“IFA Profit Guidance Report”	:	The report issued by the IFA in respect of the Profit Guidance Statement, as set out in Appendix 7 to this Circular
“Independent Directors”	:	The Directors who are considered to be independent for the purpose of making recommendations to the Shareholders in respect of the Offer, namely: (i) Dr. Leong Horn Kee; (ii) Mr. Mak Lye Mun; and (iii) Mr. Ong Tiew Siam
“INT FRSs”	:	Has the meaning ascribed to it in paragraph 10.2 of Appendix 2 to this Circular
“Latest Practicable Date”	:	29 March 2018, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the Main Board of the SGX-ST in force as at the Latest Practicable Date
“MOFCOM”	:	The Ministry of Commerce of the People’s Republic of China
“Ng Family Irrevocable Undertakings”	:	Has the meaning ascribed to it in paragraph 5.1 of the Offer Document
“Ng Family Undertaking Shareholders”	:	Members of the Ng family who form the majority Shareholders, as listed in paragraph 1.1(b) of Appendix V to the Offer Document
“OCBC Bank”	:	Oversea-Chinese Banking Corporation Limited, being the financial adviser to the Offeror in connection with the Offer

“Offer”	:	The voluntary conditional cash offer by OCBC Bank, 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
“Offer Announcement”	:	The announcement released by OCBC Bank, for and on behalf of the Offeror, on the Offer Announcement Date in relation to the Offeror’s firm intention to make the Offer
“Offer Announcement Date”	:	9 March 2018, being the date of the Offer Announcement
“Offer Document”	:	The document dated 29 March 2018 issued by OCBC Bank, for and on behalf of the Offeror, in respect of the Offer, including the FAA and the FAT, and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update the document(s) from time to time
“Offer Price”	:	Has the meaning ascribed to it in Section 2.2 of this Circular
“Offer Shares”	:	The Shares other than those Shares already held by the Company as treasury shares and those Shares already held, directly or indirectly, by the Offeror as at the date of the Offer
“Offeror”	:	THSC Investments Pte. Ltd.
“Offeror Securities”	:	(i) The Offeror Shares; (ii) securities which carry voting rights in the Offeror; and (iii) convertible securities, warrants, options and Derivatives in respect of the Offeror Shares or securities which carry voting rights in the Offeror
“Offeror Shares”	:	Issued and paid-up ordinary shares in the capital of the Offeror
“Options”	:	Options to subscribe for new Shares granted under the ESOS 2006
“Overseas Shareholders”	:	The Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or, as the case maybe, in the records of CDP

“Pre-Conditions”	:	The pre-conditions to the making of the Offer as stated in the Pre-Conditional Offer Announcement, being: (i) the Offeror being informed in writing by or on behalf of the Treasurer of the Commonwealth of Australia that there are no objections to the Offeror acquiring the equity securities in the Company in accordance with the Offer under the provisions of the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth) whether unconditionally or on terms and conditions acceptable to the Offeror in its sole and absolute discretion; (ii) the Offeror being informed in writing by or on behalf of the Australian Competition and Consumer Commission that the Australian Competition and Consumer Commission will not oppose the Offeror acquiring the equity securities in the Company; and (iii) anti-trust clearance being granted by the Anti-monopoly Bureau of the MOFCOM for the acquisition by the Offeror of the Company pursuant to the Offer, such clearance deemed to be granted if (i) MOFCOM issues a notification of no further in-depth review; (ii) MOFCOM approves the acquisition without conditions or on conditions proposed, offered or accepted by the Offeror; or (iii) all applicable waiting periods under the anti-monopoly law of the People’s Republic of China in respect of the review of the acquisition having expired
“Pre-Conditional Offer Announcement”	:	The announcement released by OCBC Bank, for and on behalf of the Offeror, on the Pre-Conditional Offer Announcement Date in relation to the pre-conditional voluntary conditional cash offer by the Offeror for all the Offer Shares
“Pre-Conditional Offer Announcement Date”	:	11 January 2018, being the date of the Pre-Conditional Offer Announcement
“Profit Guidance Announcement”	:	Has the meaning ascribed to it in paragraph 1 of Appendix 5 to this Circular
“Profit Guidance Statement”	:	Has the meaning ascribed to it in paragraph 1 of Appendix 5 to this Circular
“Record Date”	:	In relation to any Distribution, the date on which the Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such Distribution
“Roll-Up Arrangement”	:	Has the meaning ascribed to it in paragraph 5.1(c) of the Offer Document

“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“SCPE”	:	Standard Chartered Private Equity (Singapore) Pte. Ltd.
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“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
“SIC”	:	Securities Industry Council of Singapore
“SRS Investors”	:	Investors who have purchased Shares using their Supplementary Retirement Scheme contributions pursuant to the Supplementary Retirement Scheme
“TH60”	:	TH60 Investments Pte. Ltd.
“Trust Deed”	:	Has the meaning ascribed to it in Note (4) under paragraph 5.5 of Appendix 2 to this Circular
“%” or “per cent.”	:	Per centum or percentage

Acting in Concert and Associated Company. Unless otherwise defined, the expressions **“acting in concert”** and **“associated company”** shall have the meanings ascribed to them respectively in the Code.

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

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

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

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

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

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Code, the Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Code, the Listing Manual or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary, Related Corporations. The terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

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

Total Number of Issued Shares and Percentage as at the Latest Practicable Date. Any reference in this Circular to the total number of issued Shares is a reference to a total of 753,205,207 Shares in issue (excluding 3,908,900 Shares held by the Company as treasury shares) as at the Latest Practicable Date (based on the results of the instant information search of the Company dated the Latest Practicable Date conducted with ACRA). Unless otherwise specified, all references to a percentage shareholding in the capital of the Company in this Circular are based on 753,205,207 Shares in issue (excluding 3,908,900 Shares held by the Company as treasury shares) as at the Latest Practicable Date (based on the results of the instant information search of the Company dated the Latest Practicable Date conducted with ACRA).

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and in italics, and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.

TAT HONG HOLDINGS LTD
(Company Registration Number 199105392H)
(Incorporated in the Republic of Singapore)

Directors:

Dr. Leong Horn Kee
Mr. Ng San Tiong Roland
Mr. Low Seow Juan
Mr. Mak Lye Mun
Mr. Ong Tiew Siam
Mr. Ng Sang Kuey Michael
Mr. Ng Chen Wei

Registered Office:

82 Ubi Avenue 4
#05-01 Edward Boustead Centre
Singapore 408832

6 April 2018

To: The Shareholders of Tat Hong Holdings Ltd

Dear Sir/Madam

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

1. INTRODUCTION

- 1.1 Pre-Conditional Offer Announcement.** On 11 January 2018, OCBC Bank announced, for and on behalf of the Offeror, *inter alia*, that subject to and contingent upon the satisfaction of the Pre-Conditions, the Offeror intends to make the Offer for all the Offer Shares.
- 1.2 Offer Announcement.** On 9 March 2018, OCBC Bank, for and on behalf of the Offeror, announced, *inter alia*, that the Pre-Conditions have been satisfied and accordingly, the Offeror announced its firm intention to make the Offer.
- 1.3 Offer Document.** Shareholders should by now have received a copy of the Offer Document issued by OCBC Bank, for and on behalf of the Offeror, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out on pages 9 to 12 of the Offer Document. Shareholders are advised to read the terms and conditions contained therein carefully.

A copy of each of the Pre-Conditional Offer Announcement, the Offer Announcement and the Offer Document is available on the website of SGX-ST at www.sgx.com.

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

2. THE OFFER

- 2.1 Offer Shares.** As set out in paragraph 2.1 of the Offer Document, the Offer is made for all the Offer Shares in accordance with Section 139 of the SFA and Rule 15 of the Code.

For the avoidance of doubt, the Offer is extended, on the same terms and conditions, to all Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror. For the purpose of the Offer, the expression “**Offer Shares**” shall include such Shares.

2.2 Offer Price. As set out in paragraph 2.2 of the Offer Document, the consideration for each Offer Share is as follows:

For each Offer Share : S\$0.50 in cash (the “Offer Price”)

2.3 Rights and Encumbrances. As set out in paragraph 2.3 of the Offer Document, the Offer Shares will be acquired:

- (i) fully paid;
- (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 Pre-Conditional Offer Announcement Date and thereafter attaching thereto (including but not limited to the right to receive and retain all dividends, rights, other distributions and return of capital (“**Distribution**”) (if any) which may be announced, declared, paid or made by the Company, on or after the Pre-Conditional Offer Announcement Date).

If any Distribution is announced, declared, paid or made by the Company, the Record Date for which falls on or after the Pre-Conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such Distribution.

2.4 Options. As at the latest practicable date of the Offer Document, there are 923,000 outstanding Options exercisable into 923,000 Shares granted under the ESOS 2006.

Under the rules of the ESOS 2006, the Options are not transferable by the holders thereof. In view of this restriction, the Offeror will not be making an offer to acquire the Options. For the avoidance of doubt, as set out in paragraphs 2.4 and 3 of the Offer Document, the Offer is extended, on the same terms and conditions, to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Options, on or prior to the close of the Offer.

For the purpose of the Offer, the expression “**Offer Shares**” shall include the aforesaid Shares.

2.5 Condition to the Offer. As set out in paragraph 2.5 of the Offer Document, the Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Shares which, when taken together with Shares owned, controlled or agreed to be acquired by the Offeror (either before or during the Offer), will result in the Offeror holding not less than 90% of the Shares as at the close of the Offer.

Accordingly, the Offer will not become capable of being declared unconditional as to acceptances until the close of the Offer unless, at any time prior to the close of the Offer, the Offeror has received valid acceptances (which have not been withdrawn) in respect of such number of Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror before or during the Offer, will result in the Offeror holding not less than 90% of the maximum potential issued share capital of the Company. For this purpose, the “**maximum potential issued share capital of the Company**” means the total number of Shares which would be in issue had all the Options been validly exercised as at the date of such declaration.

Save as provided in paragraph 2.5 of the Offer Document, the Offer is unconditional in all other respects.

2.6 Details of the Offer. Further details of the Offer are set out in:

- (i) pages 11 to 12 of the Offer Document in relation to the duration of the Offer;
- (ii) Appendix VI to the Offer Document in relation to (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; and
- (iii) Appendix VII to the Offer Document in relation to the procedures for acceptance of the Offer.

2.7 Offer Closing Date. Shareholders should note that the Offer will close at 5.30 p.m. (Singapore time) on 26 April 2018 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

3. IRREVOCABLE UNDERTAKINGS AND THE ROLL-UP ARRANGEMENT

3.1 Details of the Ng Family Irrevocable Undertakings, the AIF Irrevocable Undertaking and Roll-Up Arrangement have been extracted from the Offer Document and are set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below and in the extracts in **Sections 4, 5, 6, 10 and 11** below shall have the same meanings as those defined in the Offer Document.

“5. IRREVOCABLE UNDERTAKINGS

5.1 Ng Family Irrevocable Undertakings and the Roll-Up Arrangement

*As stated in the Pre-Conditional Offer Announcement, as at the Pre-Conditional Offer Announcement Date, members of the Ng family who form the majority Shareholders (collectively, the “**Ng Family Undertaking Shareholders**”) have entered into irrevocable undertakings (collectively, the “**Ng Family Irrevocable Undertakings**”), pursuant to which each Ng Family Undertaking Shareholder has undertaken to the Offeror to inter alia:*

- (a) accept and/or procure the acceptance of the Offer in respect of his/her/its respective proportion of the Shares (the “**Roll-Up Shares**”), within 10 Market Days after the date on which this Offer Document is despatched to the Shareholders or such other date as shall be agreed with the Offeror;*
- (b) instead of receiving the cash consideration which would otherwise be payable by the Offeror pursuant to the Offer, direct the Offeror to issue and allot such number of shares in the Offeror (“**Offeror Shares**”) as is commensurate to the value of the Roll-Up Shares to TH60 on the settlement date for such acceptances tendered in acceptance of the Offer; and*
- (c) in consideration for the issue and allotment of the Offeror Shares in sub-paragraph (b) above, TH60 shall issue and allot the same number of shares in TH60 (“**TH60 Shares**”) to selected Ng Family Undertaking Shareholders (the “**Roll-Up Group**”), which correspond to the Roll-Up Shares, taking into consideration the assignment agreements (the “**Assignment**”) entered into by certain Ng Family Undertaking Shareholders (the “**Assigning Ng Family Undertaking Shareholders**”) to assign each of their rights to receive TH60 Shares to members of the Roll-Up Group as set out in **Appendix III** to this Offer Document (the “**Roll-Up Arrangement**”), and*

the consideration for such assignment shall be the payment in cash by the assignee to the assignor of an amount equivalent to the cash consideration which the assignor would otherwise have received from the Offeror pursuant to the Offer.

The Ng Family Irrevocable Undertakings will terminate, lapse and cease to have any force and effect on the earliest of the following:

- (i) the Offer is withdrawn without becoming or being declared unconditional in all respects; or*
- (ii) the Offer lapses or closes.*

*The list of each Ng Family Undertaking Shareholder and his/her/its Roll-Up Shares is set out in **Appendix V** to this Offer Document. The shareholdings of the Roll-Up Group in TH60 following the Roll-Up Arrangement and the Assignment, is set out in **Appendix IV** to this Offer Document.*

5.2 AIF Irrevocable Undertaking

Information on AIF Capital Limited¹

AIF Capital Limited began in 1994 as a collaboration of five (5) international financial institutions that included the Asian Development Bank and International Finance Corporation. Since becoming independent in 2001, it has been focused on providing growth capital to mid-market companies across Asia. AIF Capital Limited is headquartered in Hong Kong with offices in New Delhi, Beijing and Singapore.

AIF Capital Limited has deployed over US\$1.8 billion of capital in investments across 10 Asian countries since 1994 and its sector experience includes healthcare and pharmaceuticals, supply chain management, equipment leasing and logistics, consumer, bereavement care services, financial services, and industrial manufacturing.

Since inception, AIF Capital Limited has received investor commitments in excess of US\$2.0 billion. Investors in AIF Capital Limited-managed funds include major corporate and government pension and investment funds, insurance companies, financial institutions, as well as multilateral agencies and family offices from North America, Australia, Asia, the Middle East and Europe.

Background Information on AIF's Investment in the Company

*AIF Capital Limited indirectly controls AIF, which invested in the Company in October 2009, as a strategic partner to assist the Company in its expansion in Asia. Based on publicly available information as at the Latest Practicable Date, AIF is the second-largest Shareholder² of the Company, owning 53,300,000 Shares (the "**AIF Shares**"), representing approximately 7.08% of the total number of issued Shares.*

¹ Based on information extracted from the website of AIF Capital Limited as at the Latest Practicable Date.

² This shareholding analysis is on the basis that the Shares held by the Ng Family Undertaking Shareholders are aggregated and considered as a single block.

*AIF has provided an irrevocable undertaking (the “**AIF Irrevocable Undertaking**”) to, inter alia, accept and/or procure the acceptance of the Offer in respect of all the AIF Shares, within 10 Market Days after the date of despatch of this Offer Document or such other date as shall be agreed with the Offeror, save that AIF shall be entitled to accept any superior offer made for the AIF Shares at a price higher than the price made by the Offeror pursuant to the Offer, in respect of all or part of the AIF Shares.*

The AIF Irrevocable Undertaking will terminate, lapse and cease to have any force and effect when the Offer lapses or closes on or prior to 5.30 p.m. (Singapore time) on the 60th day after the date of posting of this Offer Document, unless (a) the Offer has previously become or been declared unconditional as to acceptances; or (b) the Offer is extended with the permission of SIC.

5.3 Shares which are the Subject of the Irrevocable Undertakings

The Ng Family Undertaking Shareholders and AIF have undertaken to accept the Offer in respect of an aggregate of 503,278,416 Shares, representing approximately 66.82% of the total number of issued Shares.

5.4 Available for Inspection

Copies of the Ng Family Irrevocable Undertakings and AIF Irrevocable Undertaking are available for inspection during normal business hours for the duration of the Offer at 80 Raffles Place, #33-00, UOB Plaza 1, Singapore 048624.

5.5 SIC Confirmation

The SIC has confirmed that the Ng Family Irrevocable Undertakings and the Roll-Up Arrangement do not constitute special deals for the purposes of the Code.”

- 3.2** Details of the Assignment and the Assigning Ng Family Undertaking Shareholders are set out in Appendix III to the Offer Document.

4. RATIONALE FOR THE OFFER AND THE OFFEROR’S INTENTIONS RELATING TO THE COMPANY

- 4.1** The full text of the rationale for the Offer, and the Offeror’s intentions relating to the Company have been extracted from the Offer Document and are set out in italics below. **Shareholders are advised to read the extract below carefully.**

“9. RATIONALE FOR THE OFFER

9.1 Opportunity for Shareholders to Realise their Investments in Cash at a Premium to the Market Trading Price

The Offer Price represents an attractive premium of approximately 29.9% over the last traded price per Share as quoted on the SGX-ST on the Last Undisturbed Trading Date and a premium of 34.0%, 35.5%, 27.6% and 30.9% over the VWAP of the Shares as transacted on the SGX-ST for the one (1)-month, three (3)-month, six (6)-month and 12-month periods, up to and including the Last Undisturbed Trading Date, respectively.

The Shares have not traded above the Offer Price in the last 12 months prior to the Last Undisturbed Trading Date.

Based on the financial results as published in the relevant annual reports of the Company, the Company has reported pre-tax losses since FY2016 and has not paid dividends since FY2016.

The consideration under the Offer therefore presents the Shareholders with an opportunity to realise their entire investment in the Shares in cash at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

9.2 Low Market Liquidity

The trading volume of the Shares has been generally low, with an ADTV³ of approximately 262,964 Shares, 327,575 Shares, 601,217 Shares and 743,196 Shares during the one (1)-month, three (3)-month, six (6)-month and 12-month periods, up to and including the Last Undisturbed Trading Date, representing 0.035%, 0.043%, 0.080% and 0.099% of the total number of issued Shares, respectively. Each of these represents less than 0.1% of the total number of issued Shares for any of the aforementioned relevant periods.

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

9.3 Flexibility to Optimise the Use of Management Resources

The Offeror is of the view that the delisting and privatisation of the Company will provide the Offeror and the Company with more flexibility to manage the business of the Company, optimise the use of its management and resources and facilitate the implementation of any strategic alternatives and/or operational changes.

9.4 Compliance Costs of Maintaining Listing

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 a listed status and focus its resources on its business operations.

9.5 Intention to Delist and Privatisise the Company

*The intention of the Offeror, and the purpose of the Offer, is to delist and privatise the Company. To this end, the Offeror intends to rely on the compulsory acquisition provisions under Section 215(1) of the Companies Act. Section 215(1) of the Companies Act provides in effect that in the event the Offeror receives valid acceptances pursuant to the Offer in respect of not less than 90% of the total number of 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 treasury shares), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”) at a price equal to the Offer Price.*

³ The ADTV is computed based on the total volume of Shares traded divided by the number of Market Days where there are trades in the Company with respect to the one (1)-month, three (3)-month, six (6)-month and 12-month periods, up to and including the Last Undisturbed Trading Date.

10. THE OFFEROR'S INTENTIONS FOR THE COMPANY

- 10.1** *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 when entitled, intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps 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 Shares (excluding treasury shares) are held in public hands.*
- 10.2** *The Offeror currently has no intention to make major changes to (a) the business of the Group; (b) the deployment of the fixed assets of the Group; or (c) the employment of the employees of the Group, other than in the ordinary course of business and as disclosed in paragraph 7.4 of this Offer Document.*
- 10.3** *Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which it regards to be in the interests of the Offeror and/or the Group."*

- 4.2** The Offer Document also sets out the following relating to the appointment of directors of the Company:

"7.4 *Subject to, inter alia, the Offer being declared unconditional as to acceptances and the satisfaction of applicable requirements under the listing rules of the SGX-ST, two (2) additional directors nominated by SCPE shall be appointed on a best-efforts basis to the board of directors of the Company with effect from the first settlement date for the acceptances tendered in acceptance of the Offer."*

5. LISTING STATUS AND COMPULSORY ACQUISITION

The Offer Document also sets out the intentions of the Offeror relating to the listing status of the Company and compulsory acquisition, the full text of which have been extracted from the Offer Document and are set out in italics below:

"11. LISTING STATUS AND COMPULSORY ACQUISITION

11.1 Listing Status

(a) Suspension of Trading

Under Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that brings the holdings owned by the Offeror and the parties acting in concert with it to above 90% of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the listing of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10% of the total number of issued Shares (excluding treasury shares) are held by at least 500 shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend the trading of the Shares only at the close of the Offer.

(b) **Free Float**

Shareholders are advised to note that Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of issued Shares (excluding treasury shares) is at all times held by the public. In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10%, the Company must as soon as practicable, announce the fact and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Listing Manual further states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted.

*In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724(1), Rule 1105 or Rule 1303(1) of the Listing Manual, **the Offeror does not intend to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. It is the intention of the Offeror to privatise the Company and to delist the Company from the SGX-ST, should the option be available to the Offeror.***

11.2 **Compulsory Acquisition**

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Offer of not less than 90% of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding treasury shares), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares from the Dissenting Shareholders on the same terms as those offered under the Offer.

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 Shares, the Dissenting Shareholders 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."

6. **INFORMATION ON THE OFFEROR, SCPE AND TH60**

6.1 **Information on the Offeror.** Details on the Offeror have been extracted from the Offer Document and are set out in italics below.

"6.1 **The Offeror**

- (a) *The Offeror is a company incorporated in the Republic of Singapore on 11 December 2017. The principal activity of the Offeror is that of an investment holding company. The issued share capital of the Offeror is S\$1.50 comprising three (3) issued ordinary shares. The Offeror has not carried on any business since its incorporation, except to enter into financing arrangements for the purpose of the Offer, certain transactional agreements in connection with the Offer, and the deeds with the Ng Family Undertaking Shareholders and AIF in relation to the Ng Family Irrevocable Undertakings and the AIF Irrevocable Undertaking (as described in paragraph 5 of this Offer Document).*

(b) *As at the Latest Practicable Date:*

- (i) *SCPE and TH60 are the only shareholders of the Offeror, with SCPE holding one (1) share in the Offeror and TH60 holding two (2) shares in the Offeror;*
- (ii) *Mr. Ng San Tiong Roland and Mr. Tay Ruixian, Jeremiah are the directors of the Offeror. Ms. Ng Pei Yan, Novia is an alternate director to Mr. Tay Ruixian, Jeremiah. Mr. Ng San Tiong Roland is also the Managing Director and Group Chief Executive Officer of the Company; and*
- (iii) *the Offeror does not hold any Shares.*

(c) *The eventual shareholding proportions in the Offeror are set out in paragraph 8.3 of this Offer Document.*

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

"8.3 Eventual Shareholding Proportions in the Offeror

- (a) *Upon the issue of the Offeror Shares in accordance with paragraph 8.1, the shareholding of the Offeror shall be TH60 holding approximately 68.8% of the Offeror, and SCPE holding the remaining 31.2% of the Offeror.*
- (b) *If the TH60 Partly-Paid Up Shares are forfeited pursuant to paragraph 8.1(5), the shareholding of the Offeror following such forfeiture shall be:*
 - (i) *TH60 holding approximately 68.2% of the Offeror; and*
 - (ii) *SCPE holding the remaining 31.8% of the Offeror."*

6.2 Offeror Funding Arrangements. Further details on the Offeror's funding arrangements are set out in paragraphs 8.1 and 8.2 of the Offer Document.

6.3 Information on SCPE. Details on SCPE have been extracted from the Offer Document and are set out in italics below.

"6.2 SCPE

- (a) *SCPE is a company incorporated in the Republic of Singapore on 31 January 2008. It is wholly-owned by Finventures UK Limited, a company incorporated in England, and its ultimate parent company is Standard Chartered PLC.*
- (b) *As at the Latest Practicable Date, the directors of SCPE are Mr. Nainesh Jaisingh and Mr. Ivo Laurence Philipps. Mr. Krishna Uday is an alternate director to Mr. Nainesh Jaisingh and Mr. Paul Nigel Grose is an alternate director to Mr. Ivo Laurence Philipps."*

6.4 Information on TH60. Details on TH60 have been extracted from the Offer Document and are set out in italics below.

“6.3 TH60

- (a) TH60 is a company incorporated in the Republic of Singapore on 17 November 2017. It will be the intermediate investment holding company for the Roll-Up Group. As at the Latest Practicable Date, Mr. Ng San Tiong Roland is the sole director and shareholder of TH60.*
- (b) As described in paragraph 5.1, pursuant to the Roll-Up Arrangement and the Assignment, TH60 shall issue and allot to the Roll-Up Group such number of TH60 Shares which corresponds to the number of Roll-Up Shares. The shareholdings of the Roll-Up Group in TH60 following the Roll-Up Arrangement and the Assignment, is set out in **Appendix IV** to this Offer Document.”*

6.5 Further Information on the Offeror and TH60. Further details on the Offeror and TH60 are set out in **Appendix 3** to this Circular.

7. EXEMPTION RELATING TO DIRECTORS’ RECOMMENDATION

7.1 SIC. The SIC has ruled that the following Directors, are not considered independent for the purposes of the Offer under Rule 8.3 of the Code as they face irreconcilable conflicts of interest for the following reasons:

- (i) Mr. Ng San Tiong Roland is a member of the Ng Family Undertaking Shareholders;
- (ii) Mr. Ng Sang Kuey Michael is a member of the Ng Family Undertaking Shareholders;
- (iii) Mr. Ng Chen Wei is the son of Mr. Ng San Tiong Roland; and
- (iv) Mr. Low Seow Juan is the spouse of Ms. Wong Sing Ping, who is a director of Fortreau Investments Pte Ltd and Regality Holdings Pte Ltd, both of which are associated companies of Chwee Cheng & Sons Pte Ltd. Chwee Cheng & Sons Pte Ltd is a member of the Ng Family Undertaking Shareholders.

7.2 Scope of Responsibility. In light of **Section 7.1** above, Mr. Ng San Tiong Roland, Mr. Ng Sang Kuey Michael, Mr. Ng Chen Wei and Mr. Low Seow Juan have been exempted by the SIC from the requirement to make a recommendation to the Shareholders on the Offer. However, they remain responsible for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

8. ADVICE OF THE IFA

8.1 IFA. ANZ has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer. Shareholders should consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors before deciding whether to accept or reject the Offer. The IFA’s advice is set out in its letter dated 6 April 2018, which is reproduced in **Appendix 1** to this Circular (the “**IFA Letter**”).

8.2 Factors Taken Into Consideration by the IFA. In arriving at its recommendation, the IFA has taken into consideration certain factors (an extract of which is set out below). Shareholders should read the following extract in conjunction with, and in the context of, the full text of the IFA Letter.

“In arriving at our opinion and advice in respect of the Offer, we have taken into account and reviewed the following key considerations, which we consider to be pertinent in our assessment of the Offer:

- (i) Historical financial performance and condition of the Group;*
- (ii) The Company’s reported commentary on significant trends and competitive conditions of the industry;*
- (iii) Historical industry trends and selected financial ratios;*
- (iv) Industry relative share price performance;*
- (v) Liquidity analysis of the Shares;*
- (vi) Historical market price performance and trading activity of the Shares;*
- (vii) Broker target prices of the Shares;*
- (viii) Valuation multiples of the Comparable Companies;*
- (ix) Trailing valuation multiples of the Company;*
- (x) Premium/discount implied by Precedent Take-overs; and*
- (xi) Other relevant considerations.”*

8.3 Advice of the IFA. After having regard to the considerations as set out in the IFA Letter, and based upon, and having considered, *inter alia*, the factors described above and the information that has been made available to the IFA, along with the industry, market, economic and other relevant considerations as at the Latest Practicable Date, the IFA has made certain recommendations to the Independent Directors, an extract of which is set out below. Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter.

“Based upon, and having considered, inter alia, the factors described above and the information that has been made available to us, along with the industry, market, economic and other relevant considerations as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Offer are fair and reasonable and not prejudicial to the interests of the Shareholders from a financial point of view. Accordingly, we would advise the Independent Directors to recommend that, in the absence of a superior offer, Shareholders should ACCEPT the Offer, unless Shareholders can obtain a price higher than the Offer Price in the open market, taking into account the related expenses such as brokerage and trading costs.”

9. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

- 9.1 Recommendation.** The Independent Directors, having considered carefully the terms of the Offer and the advice given by the IFA in the IFA Letter, concur with the recommendation of the IFA in respect of the Offer, and accordingly, recommend that, in the absence of a superior offer, Shareholders should accept the Offer, unless Shareholders can obtain a price higher than the Offer Price in the open market, taking into account the related expenses such as brokerage and trading costs.

SHAREHOLDERS ARE ADVISED TO READ THE IFA LETTER SET OUT IN APPENDIX 1 TO THIS CIRCULAR CAREFULLY.

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

10. OVERSEAS SHAREHOLDERS

- 10.1 Overseas Shareholders.** The Offer Document sets out information in relation to Overseas Shareholders, as follows:

“13. OVERSEAS SHAREHOLDERS

- 13.1** *The availability of the Offer to the Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or, as the case may be, in the records of CDP (“Overseas Shareholders”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about, and observe any applicable legal requirements. For the avoidance of doubt, the Offer is made to all Shareholders holding Offer Shares including those to whom this Offer Document and the relevant acceptance forms may not be sent.*
- 13.2** *Copies of this Offer Document and any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a “Restricted Jurisdiction”) and will not be capable of acceptance by any such use, 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.*
- 13.3** *The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.*

- 13.4 *Overseas Shareholders may (subject to compliance with applicable laws), nonetheless, obtain copies of this Offer Document, the FAA and/or the FAT and/or any related documents, during normal business hours and up to 5.30 p.m. (Singapore time) on the Closing Date, from the Offeror through CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588 or its Receiving Agent, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902. Alternatively, an Overseas Shareholder may write (subject to compliance with applicable laws) to the Offeror through M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902 to request for this Offer Document, the FAA and/or the FAT and/or any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's own risk, up to five (5) Market Days prior to the Closing Date.*
- 13.5 *It is the responsibility of any Overseas Shareholder who wishes to (a) request for this Offer Document, the FAA and/or the FAT and/or any related documents; and/or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including OCBC Bank) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf (including OCBC Bank) may be required to pay. In (i) requesting for this Offer Document, the FAA and/or the FAT and/or any related documents; and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror and OCBC Bank that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. **Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.***
- 13.6 *The Offeror and OCBC Bank each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST and if necessary, by paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including an Overseas Shareholder) to receive or see such announcement or advertisement."*

11. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

The Offer Document sets out information pertaining to CPFIS Investors and SRS Investors in paragraphs 14.3 and 14.4 of the Offer Document, as follows:

- "14.3 *CPFIS Investors will receive further information on how to accept the Offer from the CPF Agent Banks directly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice. CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks. Subject to the Offer becoming or being declared to be unconditional as to acceptances, CPFIS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their CPF investment accounts.*

14.4 *SRS Investors will receive further information on how to accept the Offer from the SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice. SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks by the deadline stated in the letter from their respective SRS Agent Banks. Subject to the Offer becoming or being declared to be unconditional as to acceptances, SRS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their SRS investment accounts."*

12. ACTION TO BE TAKEN BY THE SHAREHOLDERS

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

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror, by CDP (in respect of the FAA) or the Registrar (as defined in the Offer Document) (in respect of the FAT), as the case may be, not later than 5.30 p.m. (Singapore time) on the Closing Date.

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

13. RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular are fair and accurate and that no material facts have been omitted from this Circular (the omission of which would render any statement in this Circular misleading in any material respect), and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Pre-Conditional Offer Announcement, the Offer Announcement, the Offer Document, the IFA Letter, the Auditor Profit Guidance Report, the IFA Profit Guidance Report, the Auditor 9MFY2018 Results Report and the IFA 9MFY2018 Results Report), the responsibility of the Directors has been to ensure through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

In respect of the IFA Letter, the Auditor Profit Guidance Report, the IFA Profit Guidance Report, the Auditor 9MFY2018 Results Report and the IFA 9MFY2018 Results Report, the responsibility of the Directors has been to ensure that the facts stated with respect to the Group are fair and accurate.

Yours faithfully
For and on behalf of
TAT HONG HOLDINGS LTD

Dr. Leong Horn Kee
Chairman

APPENDIX 1

LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

INDEPENDENT FINANCIAL ADVISER'S LETTER

Australia and New Zealand Banking Group Limited, Singapore Branch
(Incorporated in Australia)
Australian Company Number: 005357522

6 April 2018

Independent Directors
Tat Hong Holdings Ltd
82 Ubi Avenue 4
#05-01 Edward Boustead Centre
Singapore 408832

Dear Sirs,

VOLUNTARY CONDITIONAL CASH OFFER (THE "OFFER") BY THSC INVESTMENTS PTE. LTD. (THE "OFFEROR") TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES (THE "SHARES") IN THE CAPITAL OF TAT HONG HOLDINGS LTD (THE "COMPANY") OTHER THAN THOSE SHARES ALREADY HELD BY THE COMPANY AS TREASURY SHARES AND THOSE SHARES ALREADY HELD, DIRECTLY OR INDIRECTLY, BY THE OFFEROR AS AT THE DATE OF THE OFFER

*For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 6 April 2018 to the shareholders of the Company (the "**Circular**").*

1. INTRODUCTION

On 11 January 2018, OCBC Bank announced, for and on behalf of the Offeror, *inter alia*, that subject to and contingent upon the satisfaction of the Pre-Conditions, the Offeror intends to make the Offer for all the Offer Shares.

On 9 March 2018, OCBC Bank, for and on behalf of the Offeror, announced, *inter alia*, that the Pre-Conditions have been satisfied and accordingly, the Offeror announced its firm intention to make the Offer.

In connection with the Offer, the Company has appointed Australia and New Zealand Banking Group Limited, Singapore Branch ("**ANZ**") as the independent financial adviser ("**IFA**") to the directors of the Company who are considered to be independent for the purpose of making recommendations to the Shareholders in respect of the Offer (the "**Independent Directors**") on the financial terms of the Offer. This letter (the "**Letter**"), which sets out, *inter alia*, our evaluation and advice, has been prepared for the use of the Independent Directors in connection with their consideration of the Offer and their recommendation to shareholders of the Company (the "**Shareholders**") arising thereof.

2. TERMS OF REFERENCE

ANZ has been appointed to advise the Independent Directors on the financial terms of the Offer. We do not, by this Letter, comment on or warrant the merits of the Offer other than to form an opinion as to whether the financial terms of the Offer are fair and reasonable and not prejudicial to the interests of the Shareholders.

ANZ is qualified to act as independent financial adviser under the Singapore Code On Take-Overs And Mergers (the “**Code**”) for the purpose of providing our opinion to the Independent Directors. At ANZ, conflict of interest management is governed by global policies and procedures, which include specific procedures on managing transactional conflicts. We will receive a fee from the Company for the delivery of this Letter. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement.

We have confined our evaluation to the financial terms of the Offer. Our terms of reference do not require us to evaluate or comment on the strategic or commercial merits and / or risks of the Offer or on the future prospects of the Company and any of its related or associated companies (the “**Group**”). Such evaluation or comment, if any, remains the sole responsibility of the Independent Directors and the management although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us and provided that such has been disclosed to us) in arriving at our view as set out in this Letter. We were not requested or authorized to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares or the assets of the Company. We are therefore not addressing the relative merits of the Offer as compared to any alternative transaction (if any) previously considered by the Company (or the Shareholders) or that otherwise may be available to the Company (or the Shareholders), or as compared to any alternative offer that might otherwise be available in the future.

The management have confirmed to us that, to the best of their knowledge and belief, all material information relating to the Company, the Group and the Offer has been disclosed to us, that such information provided and representations made to us by the management are true, complete and accurate in all material respects as at 29 March 2018, being the latest practicable date prior to the submission of the Letter to the Independent Directors (the “**Latest Practicable Date**” or “**LPD**”) and that there are no omissions of which would cause any information disclosed to us to be inaccurate, incomplete or misleading as at the Latest Practicable Date.

We have relied upon certain publicly available information relating to the Company and the accuracy and completeness of all information given to us by the management and have not independently verified such information, whether written or verbal, and accordingly cannot and do not represent or warrant, expressly or implied, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have made reasonable enquiries and exercised reasonable judgement in assessing such information and have found no reason to doubt the reliability of such information.

We are not required to express, and we do not express, any view on the growth prospects, earnings potential or valuation of the Company. We are therefore not expressing any view herein as to the prices at which the Shares may trade assuming the absence of the Offer or if the Offer is not effected.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Company or the Group. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information, provided or otherwise made available to us or relied on by us.

The preparation of this Letter, our financial evaluation of the Offer and our opinion in this Letter are based upon market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date, as well as publicly available information and information provided to us by the Company and its advisers as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. Shareholders should further take note of any announcements relevant to their consideration of the Offer which may be released by the Company and / or the Offeror after the Latest Practicable Date. In arriving at our view, we have taken into account certain other factors and have been required to make certain assumptions. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

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

The Company has been separately advised by its own advisers in the preparation of other documents relating to the Offer (other than this Letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of any documents relating to the Offer (other than this Letter, the IFA Profit Guidance Report and the IFA 9MFY2018 Results Report). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of any documents relating to the Offer (other than this Letter, the IFA Profit Guidance Report and the IFA 9MFY2018 Results Report).

This Letter is addressed to the Independent Directors solely for their benefit in connection with and for the purposes of their consideration of the Offer, and the recommendations made by them to Shareholders with regard to the Offer shall remain the responsibility of the Independent Directors.

Our advice in relation to the Offer should be considered in the context of the entirety of this Letter and other documents relating to the transaction made available by the Company and the Offeror.

3. THE OFFER

As set out in paragraph 2.1 of the Offer Document, the Offer is made for all the Shares other than those Shares already held by the Company as treasury shares and those Shares already held, directly or indirectly, by the Offeror as at the date of the Offer ("**Offer Shares**") in accordance with Section 139 of the SFA and Rule 15 of the Code.

For the avoidance of doubt, the Offer is extended, on the same terms and conditions, to all Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror. For the purpose of the Offer, the expression "**Offer Shares**" shall include such Shares.

3.1 Offer Price

As set out in paragraph 2.2 of the Offer Document, the consideration for each Offer Share is as follows:

For each Offer Share: S\$0.50 in cash (the "Offer Price")

3.2 Rights and Encumbrances

As set out in paragraph 2.3 of the Offer Document, the Offer Shares will be acquired:

- (i) fully paid;
- (ii) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third-party rights and interests of any nature whatsoever; and
- (iii) together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and thereafter attaching thereto (including but not limited to the right to receive and retain all dividends, rights, other distributions and return of capital ("**Distribution**") (if any) which may be announced, declared, paid or made by the Company, on or after the Pre-Conditional Offer Announcement Date).

If any Distribution is announced, declared, paid or made by the Company, the Record Date for which falls on or after the Pre-Conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such Distribution.

3.3 Options

As at the latest practicable date of the Offer Document, there are 923,000 outstanding Options exercisable into 923,000 Shares granted under the ESOS 2006.

Under the rules of the ESOS 2006, the Options are not transferable by the holders thereof. In view of this restriction, the Offeror will not be making an offer to acquire the Options. For the avoidance of doubt, as set out in paragraphs 2.4 and 3 of the Offer Document, the Offer is extended, on the same terms and conditions, to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Options, on or prior to the close of the Offer.

For the purpose of the Offer, the expression “**Offer Shares**” shall include the aforesaid Shares.

3.4 Condition to the Offer

As set out in paragraph 2.5 of the Offer Document, the Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Shares which, when taken together with Shares owned, controlled or agreed to be acquired by the Offeror (either before or during the Offer), will result in the Offeror holding not less than 90% of the Shares as at the close of the Offer.

Accordingly, the Offer will not become capable of being declared unconditional as to acceptances until the close of the Offer unless, at any time prior to the close of the Offer, the Offeror has received valid acceptances (which have not been withdrawn) in respect of such number of Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror before or during the Offer, will result in the Offeror holding not less than 90% of the maximum potential issued share capital of the Company. For this purpose, the “**maximum potential issued share capital of the Company**” means the total number of Shares which would be in issue had all the Options been validly exercised as at the date of such declaration.

Save as provided in paragraph 2.5 of the Offer Document, the Offer is unconditional in all other respects.

3.5 Details of the Offer

Further details of the Offer are set out in:

- (i) pages 11 to 12 of the Offer Document in relation to the duration of the Offer;
- (ii) Appendix VI to the Offer Document in relation to (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; and
- (iii) Appendix VII to the Offer Document in relation to the procedures for acceptance of the Offer.

3.6 Offer Closing Date

Shareholders should note that the Offer will close at 5.30 p.m. (Singapore time) on 26 April 2018 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

4. IRREVOCABLE UNDERTAKINGS AND THE ROLL-UP ARRANGEMENT

4.1 Details of the Ng Family Irrevocable Undertakings, the AIF Irrevocable Undertaking and Roll-Up Arrangement have been extracted from the Offer Document and are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts from the Offer Document shall have the same meanings as those defined in the Offer Document.

“5. IRREVOCABLE UNDERTAKINGS

5.1 Ng Family Irrevocable Undertakings and the Roll-Up Arrangement

*As stated in the Pre-Conditional Offer Announcement, as at the Pre-Conditional Offer Announcement Date, members of the Ng family who form the majority Shareholders (collectively, the “**Ng Family Undertaking Shareholders**”) have entered into irrevocable undertakings (collectively, the “**Ng Family Irrevocable Undertakings**”), pursuant to which each Ng Family Undertaking Shareholder has undertaken to the Offeror to inter alia:*

- (a) accept and/or procure the acceptance of the Offer in respect of his/her/its respective proportion of the Shares (the “**Roll-Up Shares**”), within 10 Market Days after the date on which this Offer Document is despatched to the Shareholders or such other date as shall be agreed with the Offeror;*
- (b) instead of receiving the cash consideration which would otherwise be payable by the Offeror pursuant to the Offer, direct the Offeror to issue and allot such number of shares in the Offeror (“**Offeror Shares**”) as is commensurate to the value of the Roll-Up Shares to TH60 on the settlement date for such acceptances tendered in acceptance of the Offer; and*
- (c) in consideration for the issue and allotment of the Offeror Shares in sub-paragraph (b) above, TH60 shall issue and allot the same number of shares in TH60 (“**TH60 Shares**”) to selected Ng Family Undertaking Shareholders (the “**Roll-Up Group**”), which correspond to the Roll-Up Shares, taking into consideration the assignment agreements (the “**Assignment**”) entered into by certain Ng Family Undertaking Shareholders (the “**Assigning Ng Family Undertaking Shareholders**”) to assign each of their rights to receive TH60 Shares to members of the Roll-Up Group as set out in Appendix III to this Offer Document (the “**Roll-Up Arrangement**”), and the consideration for such assignment shall be the payment in cash by the assignee to the assignor of an amount equivalent to the cash consideration which*

the assignor would otherwise have received from the Offeror pursuant to the Offer.

The Ng Family Irrevocable Undertakings will terminate, lapse and cease to have any force and effect on the earliest of the following:

- (i) the Offer is withdrawn without becoming or being declared unconditional in all respects; or*
- (ii) the Offer lapses or closes.*

*The list of each Ng Family Undertaking Shareholder and his/her/its Roll-Up Shares is set out in **Appendix V** to this Offer Document. The shareholdings of the Roll-Up Group in TH60 following the Roll-Up Arrangement and the Assignment, is set out in **Appendix IV** to this Offer Document.*

5.2 AIF Irrevocable Undertaking

Information on AIF Capital Limited¹

AIF Capital Limited began in 1994 as a collaboration of five (5) international financial institutions that included the Asian Development Bank and International Finance Corporation. Since becoming independent in 2001, it has been focused on providing growth capital to mid-market companies across Asia. AIF Capital Limited is headquartered in Hong Kong with offices in New Delhi, Beijing and Singapore.

AIF Capital Limited has deployed over US\$1.8 billion of capital in investments across 10 Asian countries since 1994 and its sector experience includes healthcare and pharmaceuticals, supply chain management, equipment leasing and logistics, consumer, bereavement care services, financial services, and industrial manufacturing.

Since inception, AIF Capital Limited has received investor commitments in excess of US\$2.0 billion. Investors in AIF Capital Limited-managed funds include major corporate and government pension and investment funds, insurance companies, financial institutions, as well as multilateral agencies and family offices from North America, Australia, Asia, the Middle East and Europe.

Background Information on AIF's Investment in the Company

*AIF Capital Limited indirectly controls AIF, which invested in the Company in October 2009, as a strategic partner to assist the Company in its expansion in Asia. Based on publicly available information as at the Latest Practicable Date, AIF is the second-largest Shareholder² of the Company, owning 53,300,000 Shares (the “**AIF Shares**”), representing approximately 7.08% of the total number of issued Shares.*

¹ Based on information extracted from the website of AIF Capital Limited as at the Latest Practicable Date.

² This shareholding analysis is on the basis that the Shares held by the Ng Family Undertaking Shareholders are aggregated and considered as a single block.

*AIF has provided an irrevocable undertaking (the “**AIF Irrevocable Undertaking**”) to, inter alia, accept and/or procure the acceptance of the Offer in respect of all the AIF Shares, within 10 Market Days after the date of despatch of this Offer Document or such other date as shall be agreed with the Offeror, save that AIF shall be entitled to accept any superior offer made for the AIF Shares at a price higher than the price made by the Offeror pursuant to the Offer, in respect of all or part of the AIF Shares.*

The AIF Irrevocable Undertaking will terminate, lapse and cease to have any force and effect when the Offer lapses or closes on or prior to 5.30 p.m. (Singapore time) on the 60th day after the date of posting of this Offer Document, unless (a) the Offer has previously become or been declared unconditional as to acceptances; or (b) the Offer is extended with the permission of SIC.

5.3 Shares which are the Subject of the Irrevocable Undertakings

The Ng Family Undertaking Shareholders and AIF have undertaken to accept the Offer in respect of an aggregate of 503,278,416 Shares, representing approximately 66.82% of the total number of issued Shares.

5.4 Available for Inspection

Copies of the Ng Family Irrevocable Undertakings and AIF Irrevocable Undertaking are available for inspection during normal business hours for the duration of the Offer at 80 Raffles Place, #33-00, UOB Plaza 1, Singapore 048624.

5.5 SIC Confirmation

The SIC has confirmed that the Ng Family Irrevocable Undertakings and the Roll-Up Arrangement do not constitute special deals for the purposes of the Code.”

- 4.2** Details of the Assignment and the Assigning Ng Family Undertaking Shareholders are set out in Appendix III to the Offer Document.

5. INFORMATION ON THE OFFEROR, SCPE AND TH60

5.1 Information on the Offeror

Details on the Offeror have been extracted from the Offer Document and are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts from the Offer Document shall have the same meanings as those defined in the Offer Document.

“6.1 The Offeror

- (a) *The Offeror is a company incorporated in the Republic of Singapore on 11 December 2017. The principal activity of the Offeror is that of an investment holding company. The issued share capital of the Offeror is S\$1.50 comprising three (3) issued ordinary shares. The Offeror has not carried on any business since its incorporation, except to enter into financing arrangements for the purpose of the Offer, certain transactional agreements in connection with the Offer, and the deeds with the Ng Family Undertaking Shareholders and AIF in relation to the Ng Family Irrevocable Undertakings and the AIF Irrevocable Undertaking (as described in paragraph 5 of this Offer Document).*
- (b) *As at the Latest Practicable Date:*
 - (i) *SCPE and TH60 are the only shareholders of the Offeror, with SCPE holding one (1) share in the Offeror and TH60 holding two (2) shares in the Offeror;*
 - (ii) *Mr. Ng San Tiong Roland and Mr. Tay Ruixian, Jeremiah are the directors of the Offeror. Ms. Ng Pei Yan, Novia is an alternate director to Mr. Tay Ruixian, Jeremiah. Mr. Ng San Tiong Roland is also the Managing Director and Group Chief Executive Officer of the Company; and*
 - (iii) *the Offeror does not hold any Shares.*
- (c) *The eventual shareholding proportions in the Offeror are set out in paragraph 8.3 of this Offer Document.*

Appendix I to this Offer Document sets out certain additional information on the Offeror.”

“8.3 Eventual Shareholding Proportions in the Offeror

- (a) *Upon the issue of the Offeror Shares in accordance with paragraph 8.1, the shareholding of the Offeror shall be TH60 holding approximately 68.8% of the Offeror, and SCPE holding the remaining 31.2% of the Offeror.*
- (b) *If the TH60 Partly-Paid Up Shares are forfeited pursuant to paragraph 8.1(5), the shareholding of the Offeror following such forfeiture shall be:*
 - (i) *TH60 holding approximately 68.2% of the Offeror; and*
 - (ii) *SCPE holding the remaining 31.8% of the Offeror.”*

5.2 Offeror Funding Arrangements

Further details on the Offeror's funding arrangements are set out in paragraphs 8.1 and 8.2 of the Offer Document.

5.3 Information on SCPE

Details on SCPE have been extracted from the Offer Document and are set out in italics below.

"6.2 SCPE

- (a) *SCPE is a company incorporated in the Republic of Singapore on 31 January 2008. It is wholly-owned by Finventures UK Limited, a company incorporated in England, and its ultimate parent company is Standard Chartered PLC.*
- (b) *As at the Latest Practicable Date, the directors of SCPE are Mr. Nainesh Jaisingh and Mr. Ivo Laurence Philipps. Mr. Krishna Uday is an alternate director to Mr. Nainesh Jaisingh and Mr. Paul Nigel Grose is an alternate director to Mr. Ivo Laurence Philipps."*

5.4 Information on TH60

Details on TH60 have been extracted from the Offer Document and are set out in italics below.

"6.3 TH60

- (a) *TH60 is a company incorporated in the Republic of Singapore on 17 November 2017. It will be the intermediate investment holding company for the Roll-Up Group. As at the Latest Practicable Date, Mr. Ng San Tiong Roland is the sole director and shareholder of TH60.*
- (b) *As described in paragraph 5.1, pursuant to the Roll-Up Arrangement and the Assignment, TH60 shall issue and allot to the Roll-Up Group such number of TH60 Shares which corresponds to the number of Roll-Up Shares. The shareholdings of the Roll-Up Group in TH60 following the Roll-Up Arrangement and the Assignment, is set out in Appendix IV to this Offer Document."*

5.5 Further Information on the Offeror and TH60

Further details on the Offeror and TH60 are set out in **Appendix 3** to the Circular.

6. EXEMPTION RELATING TO DIRECTORS' RECOMMENDATION BY THE SECURITIES INDUSTRY COUNCIL ("SIC")

6.1 SIC

The SIC has ruled that the following Directors, are not considered independent for the purposes of the Offer under Rule 8.3 of the Code as they face irreconcilable conflicts of interest for the following reasons:

- (i) Mr. Ng San Tiong Roland is a member of the Ng Family Undertaking Shareholders;
- (ii) Mr. Ng Sang Kuey Michael is a member of the Ng Family Undertaking Shareholders;
- (iii) Mr. Ng Chen Wei is the son of Mr. Ng San Tiong Roland; and
- (iv) Mr. Low Seow Juan is the spouse of Ms. Wong Sing Ping, who is a director of Fortreau Investments Pte Ltd and Regality Holdings Pte Ltd, both of which are associated companies of Chwee Cheng & Sons Pte Ltd. Chwee Cheng & Sons Pte Ltd is a member of the Ng Family Undertaking Shareholders.

6.2 Scope of Responsibility

In light of Section 6.1 above, Mr. Ng San Tiong Roland, Mr. Ng Sang Kuey Michael, Mr. Ng Chen Wei and Mr. Low Seow Juan have been exempted by the SIC from the requirement to make a recommendation to the Shareholders on the Offer. However, they remain responsible for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

7. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

The full text of the rationale for the Offer and the Offeror's intentions in relation to the Company is set out in Section 4 of the Circular, and Shareholders are advised to read the information carefully.

8. FINANCIAL EVALUATION OF THE TERMS OF THE OFFER

In evaluating the terms of the Offer, from a financial point of view, as at the Latest Practicable Date, we have considered the following factors:

	Factors	Details see sub-section
(i)	Historical financial performance and condition of the Group	8.1
(ii)	The Company's reported commentary on significant trends and competitive conditions of the industry	8.2
(iii)	Historical industry trends and selected financial ratios	8.3
(iv)	Industry relative share price performance	8.4
(v)	Liquidity analysis of the Shares and companies that make up the top 15 constituents of the Straits Times Index (" STI ") traded on the Singapore Exchange Securities Trading (" SGX-ST " or " SGX ") in Singapore based on market capitalisation (the " Top 15 STI Companies ")	8.5
(vi)	Historical market price performance and trading activity of the Shares	8.6
(vii)	Broker target prices of the Shares	8.7
(viii)	Valuation multiples of selected public companies which are considered to be broadly comparable to the Company in limited aspects (" Comparable Companies ")	8.8
(ix)	Trailing valuation multiples of the Company relative to valuation multiples implied by the Offer Price;	8.9
(x)	Valuation multiples implied by selected precedent acquisitions of target companies which are considered to be broadly comparable to the Company in limited aspects;	8.10
(xi)	Premium / discount implied by selected precedent substantive / change of control acquisitions involving target companies listed on the SGX-ST (" Precedent Takeovers "); and	8.11
(xii)	Other relevant considerations which have a significant bearing on our assessment.	8.12

General bases and assumptions

The figures and underlying financial data used in our analyses in this Letter, including share prices, trading volumes, and broker research, have been extracted from, *inter alia*, SGX-ST, Bloomberg, Capital IQ, Mergermarket, and other public filings and documents. ANZ has not independently verified (nor assumed responsibility or liability for independently verifying) or ascertained and makes no representations or warranties, express or implied, as to the accuracy, completeness or adequacy of such information.

Relevant benchmark dates

For the purpose of our analyses, apart from the Latest Practicable Date, we have referred to the relevant benchmark dates, where required, as shown below:

- (i) 20 September 2017: The last full market trading day ("**Last Undisturbed Trading Date**" or "**LUTD**") prior to the announcement dated 21 September 2017 ("**Initial Announcement Date**") by the Company that the Company had been approached by certain parties in connection with a potential transaction in relation to the securities of the Company and the Company has appointed Rippledote Capital Advisers Pte. Ltd. ("**Rippledote**") as its financial adviser in connection with such approaches;

- (ii) 9 November 2017: The last full market trading day ("**LTD to Holding Announcement Date**") prior to the announcement dated 10 November 2017 ("**Holding Announcement Date**") by the Company that the Company had received a non-binding letter from SCPE confirming its proposal to acquire the Shares;
- (iii) 10 January 2018: The last full market trading day ("**LTD to Pre-Conditional Offer Announcement Date**") prior to the date of the announcement dated 11 January 2018 ("**Pre-Conditional Offer Announcement Date**") by the Offeror about the Offeror's pre-conditional voluntary conditional cash offer for the Shares; and
- (iv) 9 March 2018: The last full market trading day ("**LTD to Offer Announcement Date**") prior to the announcement dated 9 March 2018 ("**Offer Announcement Date**") released by the Offeror after market close about the Offeror's voluntary conditional cash offer for the Shares.

Comparable Companies

The summary description of the Comparable Companies we have reviewed for our analysis is set out in the following table:

Company	Company Description	Market Cap ⁽¹⁾ (S\$M)
Tiong Woon Corporation Holding Ltd. (" Tiong Woon ")	- Listed on the SGX-ST and headquartered in Singapore - Engages in rental and trading of cranes, heavy lift and haulage solutions as well as provision of tug and barge services - Ranked as the 18th largest crane-owning company globally by the International Crane and Specialized Transport trade magazine in its IC50 2017 survey - Sole distributor for IHI crawler cranes in ASEAN (except Indonesia), authorised dealer for all XCMG products in Southeast Asia and exclusive distributor for Zoomlion tower cranes in Singapore	74
Sin Heng Heavy Machinery Limited (" Sin Heng ")	- Listed on the SGX-ST and headquartered in Singapore - Engages in rental and trading of cranes, aerial lifts and other lifting equipment as well as sale and distribution of related parts - Regional presence in the ASEAN region including wholly-owned subsidiaries and joint ventures in Malaysia, Vietnam, Myanmar, Indonesia and Hong Kong	56
Hiap Tong Corporation Ltd. (" Hiap Tong ")	- Listed on the SGX-ST (Catalist board) and headquartered in Singapore - Engages in the rental and sale of cranes, prime movers and trailers with a business focused in Singapore - Reportedly offers the largest range of lifting capabilities in the hydraulic mobile crane category in Singapore	33
Boom Logistics Limited (" Boom Logistics ")	- Listed on the ASX and headquartered in Victoria, Australia - Engages in rental and trading of cranes, travel towers and access equipment. Also provides lifting solutions and engineering services - Offers a total lifting solution, short term or long term crane hire across Australia, via 20 depots and c.550 staff across the country	93

JP Nelson Holdings Pte Ltd. (“JP Nelson”)	- Listed on the GTSM (formerly the Gre Tai Securities Market) and headquartered in Singapore - Provides sales and leasing of equipment for the engineering, construction, shipyard/ship building, oil and gas and offshore industries - Products include cranes, lifts, excavators, power generators, air compressors, etc. Also offers logistical support services, repairs and maintenance	44
--	--	----

Source: Annual reports, company websites and Capital IQ.

Note:

(1) Market capitalisation calculated based on share prices and exchange rates from Capital IQ as at the Latest Practicable Date multiplied by the fully diluted shares outstanding as per the latest company filings.

For the purpose of our analyses in this Letter, the Comparable Companies are further separated into three sub-groups based on their listing locations: (i) three of the Comparable Companies that are listed on the SGX-ST comprising Tiong Woon Corporation Holding Ltd, Sin Heng Heavy Machinery Limited and Hiap Tong Corporation Ltd. (the “**SGX-listed Peers**”), (ii) one of the Comparable Companies that is listed on the Australian Securities Exchange (“**ASX**”), Boom Logistics Limited (the “**ASX-listed Peer**”), and (iii) one of the Comparable Companies that is listed on the Gre Tai Securities Market (“**GTSM**”), JP Nelson Holdings Pte Ltd. (the “**GTSM-listed Peer**”).

Valuation ratios

We have applied the following valuation ratios in our financial analyses of the Offer:

Valuation Multiple	Description
EV / Sales	“EV” or “enterprise value” is the sum of the company’s market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents. The “EV/Sales” ratio illustrates the market value of a company’s business relative to its historical sales, without regard to the company’s capital structure.
EV / EBITDA	“EV” or “enterprise value” is the sum of the company’s market capitalisation, preferred equity, minority interests, short and long term debt less its cash and cash equivalents. “EBITDA” stands for historical earnings before interest, tax, depreciation and amortization expenses, inclusive of share of associates’ and joint ventures’ income and excluding exceptional items. The “EV/EBITDA” ratio illustrates the market value of a company’s business relative to its historical pretax operating cash flow performance, without regard to the company’s capital structure.
P / NAV	“NAV” or “net asset value” is the book value of a company’s shareholders’ equity. The “P/NAV” or “price-to-NAV” ratio illustrates the ratio of the market price of a company’s shares relative to its historical book value per share as recorded in its latest reported financial statements. Comparisons of companies using their book value are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies. We note that cranes and equipment represent a material part of the Company’s assets and are accounted and reported in the following manner: (i) Crane and tower cranes for rental as well as equipment for rental, recorded as “property, plant and equipment” on the Company’s balance sheet, are measured at cost less accumulated depreciation and accumulated impairment losses. This practice appears in line with industry peers (for example Tiong Woon, Sin Heng and Hiap Tong); and (ii) Cranes, equipment and spare parts held for resale, recorded as “inventories” on the Company’s balance sheet, are subject to annual independent valuations by external valuers, thereby obtaining a valuation report from external valuers in order to assess the realisable value of the cranes. These assets for resale are recorded based on the lower of cost and net realisable value.

In relation to the P / NAV ratio, we note that this type of asset-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, repayment of its liabilities and obligations, and with the balance being available for distribution to its Shareholders. While the asset base of the Company can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may vary depending on prevailing market and economic conditions.

In applying the above ratios, we have considered whether the multiples of the Company, implied by the Offer Price, lie above, within or below the mean and median, and the minimum and maximum of the range implied by the relevant ratios considered set out in this Letter.

We note that the accounting principles used by the respective Comparable Companies may be different. Such differences may therefore render any comparisons carried out less useful than if the same accounting principles were being used. In addition, we note that the Comparable Companies are not identical to the Company in terms of, *inter alia*, location, business mix, scale, geographical spread and track record. Any conclusions drawn from any comparisons made may therefore not necessarily reflect the possible market valuation of the Company.

8.1 Historical financial performance and condition of the Group

The Group's recent historical profitability and financial position in respect of the audited financial years ("FY") ended 31 March 2015, 2016 and 2017 ("FY2015", "FY2016" and "FY2017", respectively) and unaudited 9-month period ended 31 December 2016 and 31 December 2017 ("9M FY2017" and "9M FY2018", respectively) are summarized below. The following financial information should be read in conjunction with the full text of the Company's annual reports for FY2015, FY2016 and FY2017 and unaudited financial statements for 9M FY2017 and 9M FY2018 including the notes thereto.

The salient income statement, cash flow statement and balance sheet items as well as selected financial ratios of the Group for FY2015, FY2016, FY2017, 9M FY2017 and 9M FY2018 are summarized below:

Historical financial performance of the Group

All figures in S\$'000s	FY2015	FY2016	FY2017	9M FY2017 (Unaudited)	9M FY2018 (Unaudited)
Income statement⁽¹⁾					
Revenue	608,597	528,228	458,293	348,068	365,519
YoY growth	(11.0%)	(13.2%)	(13.2%)	(13.3%)	5.0%
Gross profit	212,093	159,485	127,417	100,673	100,187
Margin	34.8%	30.2%	27.8%	28.9%	27.4%
(Loss)/profit before income tax	18,357	(37,899)	(30,482)	(4,454)	(7,166)
Margin	3.0%	(7.2%)	(6.7%)	(1.3%)	(2.0%)
(Loss)/profit attributable to owners of the Company	4,865	(39,312)	(38,009)	(8,770)	(10,275)
EBITDA ⁽²⁾	126,398	82,645	55,300	49,247	59,255
Cash flow statement⁽¹⁾					
Net cash from operating activities	141,624	82,174	85,177	47,641	56,487
Net cash flows (used in)/from investing activities	14,496	43,459	41,868	24,850	2,750
Net cash used in financing activities	(113,862)	(86,619)	(165,441)	(107,071)	(60,690)
Net increase/(decrease) in cash and cash equivalents ⁽³⁾	42,258	39,014	(38,396)	(34,252)	(1,453)
Cash and cash equivalents at end of the period ⁽³⁾	92,237	130,072	92,538	96,757	90,335
Balance sheet⁽¹⁾					
Current assets	485,146	505,442	456,427	508,183	475,538
Non-current assets	1,012,019	865,648	803,701	814,689	762,043
Total assets	1,497,165	1,371,090	1,260,128	1,322,872	1,237,581
Current liabilities	402,020	415,984	299,103	391,203	425,765
Non-current liabilities	393,745	325,423	339,034	308,603	201,042
Total liabilities	795,765	741,407	638,137	699,806	626,807
Equity attributable to owners of the Company	650,829	585,701	587,363	579,300	577,692
Non-controlling interests	50,571	43,982	34,628	43,766	33,082
Total equity	701,400	629,683	621,991	623,066	610,774
Total equity and liabilities	1,497,165	1,371,090	1,260,128	1,322,872	1,237,581
Financial ratios⁽¹⁾					
Earning / (loss) per Share (S\$)	0.77	(6.22)	(5.91)	(1.39)	(1.36)
Return on equity ⁽⁴⁾ ("ROE")	0.7%	n.m.	n.m.	n.m.	n.m.
Net gearing ⁽⁵⁾ (times)	0.8x	0.7x	0.6x	0.7x	0.5x
Interest cover ⁽⁶⁾ (times)	5.0x	2.8x	2.9x	n.a. ⁽⁷⁾	n.a. ⁽⁷⁾

Source: Company annual reports and unaudited third quarter financial statements announcement.

Notes:

- (1) As reported by the Company in its respective annual reports and unaudited quarterly financial statements.
- (2) EBITDA includes share of results of associates and joint ventures and has been adjusted for one-off items including gain on disposal of subsidiaries and plant, property and equipment, trade receivables written off, realised and unrealised foreign exchange loss, impairment loss on plant, property and equipment and impairment loss on investment in associates, intangible assets and re-measurement of assets held for sale.
- (3) Cash and cash equivalents exclude bank balances earmarked for certain banking facilities.
- (4) As reported by the Company.
- (5) As reported by the Company.
- (6) As reported by the Company.
- (7) The Company does not report interest cover ratios in its unaudited quarterly financial statements and related result announcements.

Based on the above, we note that:

- (i) The Group's reported revenue decreased year-on-year ("YoY") in FY2015, FY2016, and FY2017 by approximately 11.0%, 13.2% and 13.2%, respectively. In 9M FY2018, the Group's reported revenue increased by 5.0% YoY;
- (ii) The Group's reported gross profit margins were approximately 34.8%, 30.2%, 27.8%, and 27.4% in FY2015, FY2016, FY2017 and 9M FY2018, respectively;

- (iii) The Group's reported profit margins (before income tax) were approximately 3.0%, -7.2%, -6.7% and -2.0% in FY2015, FY2016, FY2017 and 9M FY2018, respectively;
- (iv) The Group's net cashflows from operating activities decreased from S\$141.6 million in FY2015 to S\$85.2 million in FY2017;
- (v) Shareholders' equity had decreased from S\$650.8 million in FY2015 (31 March 2015) to S\$577.7 million in 9M FY2018 (31 December 2017);
- (vi) The Group's reported ROE had been negative in FY2016 and FY2017.
- (vii) The Group's reported net gearing ratio had decreased from 0.8x in FY2015 (31 March 2015) to 0.5x in 9M FY2018 (31 December 2017); and
- (viii) The Group's reported interest cover ratio had adversely decreased from 5.0x in FY2015 to 2.9x in FY2017.

8.2 The Company's reported commentary on significant trends and competitive conditions of the industry

We note that the following commentary was made in the Company's result announcement on 13 February 2018 for the nine-month period ended 31 December 2017 (refer to **Appendix 8** to the Circular):

"Overall, whilst the business climate for the crane rental market and other sectors in which the Group operates in the People's Republic of China and Australia is positive, there may be pockets of weaknesses arising from challenging market conditions in certain parts of the ASEAN region and newly announced environmental regulations affecting the Beijing area.

For the Crane Rental Division, while market sentiments are improving in Australia, market weakness and competitive pricing pressures are expected to continue in certain parts of the ASEAN region.

As for the Tower Crane Rental Division in China, there is a strong pipeline of committed projects in the building, infrastructure, transport and power generation sectors.

Further, infrastructure spending in Australia is increasing, which the General Equipment Rental Division hopes to take advantage of.

As for the Distribution Division, demand in Australia is improving, though continued weakness in the heavy equipment market is expected to continue in the ASEAN region.

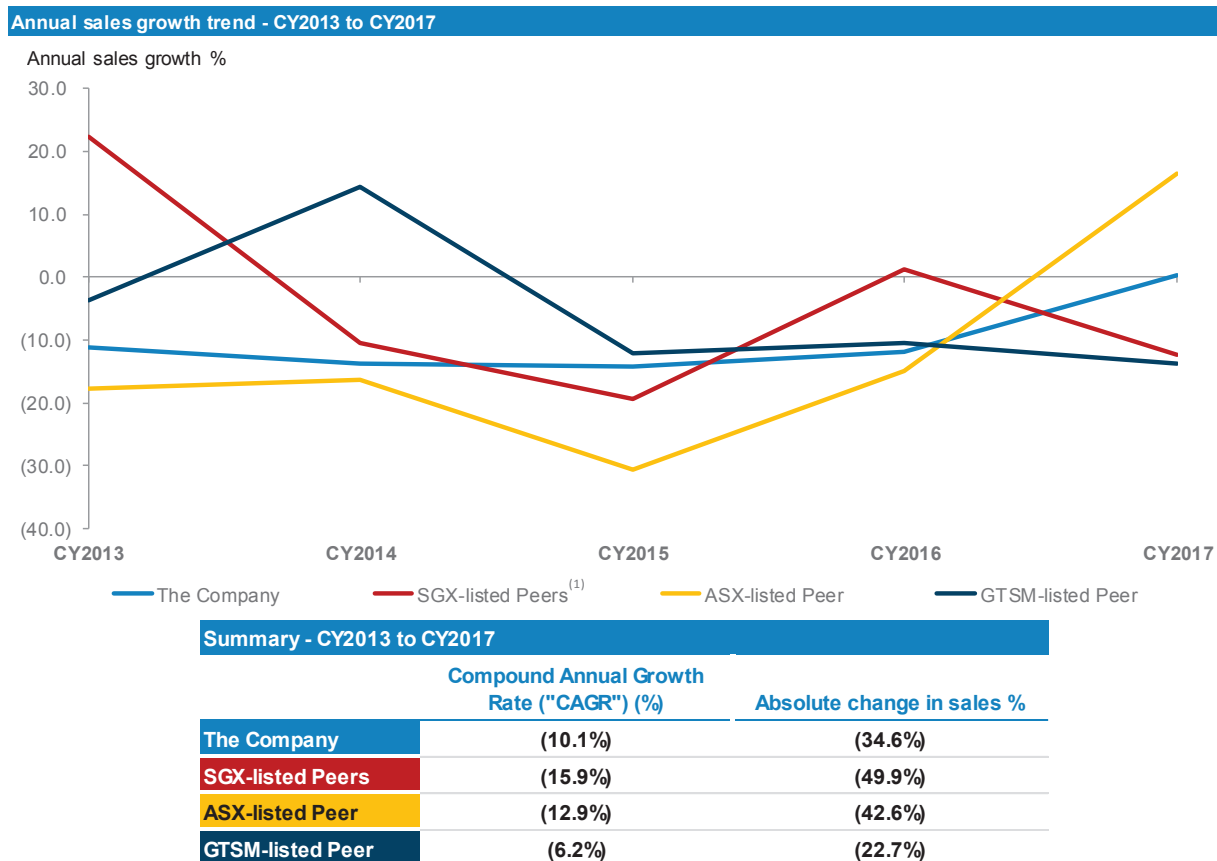
Notwithstanding the above, the Group will continue its fleet rationalisation activities. The Group will also continue to take advantage of its strong China presence to explore opportunities in China's Belt and Road Initiative."

We note that the commentary above points to a potential recovery in some (but not all) parts of the Company's business in the future. However, there is no certainty as to the timing or magnitude of any potential recovery. We have not considered, and we do not express, any view on the future growth prospects, earnings potential or valuation of the Company.

8.3 Historical industry trends and selected financial ratios

As part of our evaluation of the terms of the Offer, we have considered the historical trends relating to selected financial metrics reflecting the competitive conditions of the industry in which the Company operates.

We set out below a comparison of the historical annual sales growth trends of the Company against those of the SGX-listed Peers, ASX-listed Peer and GTSM-listed Peer over the 5 calendar years ("CYs") prior to the Latest Practicable Date.



Source: Capital IQ.

Note:

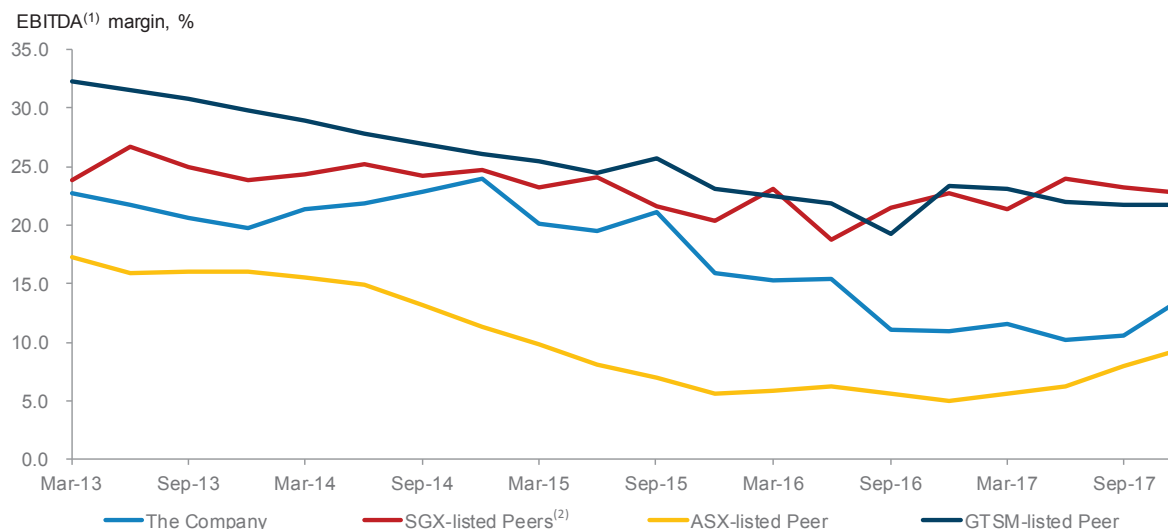
(1) Constituents include the Comparable Companies (Tiong Woon Corporation Holding Ltd, Sin Heng Heavy Machinery Limited and Hiap Tong Corporation Ltd.) and are weighted based on their respective market capitalisations in the calculation of the SGX-listed Peers' annual sales growth values.

Based on the above, we note that:

- (i) The sector in general, as observed for the Company, SGX-listed Peers, ASX-listed Peer and GTSM-listed Peer, had experienced negative growth in their annual sales over the 5 CYs prior to the Latest Practicable Date, with CY2013 to CY2017 CAGRs of -10.1%, -15.9%, -12.9% and -6.2%, respectively; and
- (ii) Absolute annual sales for the Company, SGX-listed Peers, ASX-listed Peer and GTSM-listed Peer have decreased by 34.6%, 49.9%, 42.6% and 22.7% from CY2013 to CY2017, respectively.

We also set out below a comparison of the historical EBITDA margin trends (based on the trailing LTM EBITDA) of the Company against those of the SGX-listed Peers, ASX-listed Peer and GTSM-listed Peer over the last 5 CYs prior to the Latest Practicable Date.

Historical EBITDA margin trend - CY2013 to CY2017



Source: Capital IQ.

Note:

(1) EBITDA margin is calculated as: EBITDA / total sales.

(2) Constituents include the Comparable Companies (Tiong Woon Corporation Holding Ltd, Sin Heng Heavy Machinery Limited and Hiap Tong Corporation Ltd.) and are weighted based on their respective market capitalisations in the calculation of the SGX-listed Peers' EBITDA margin values.

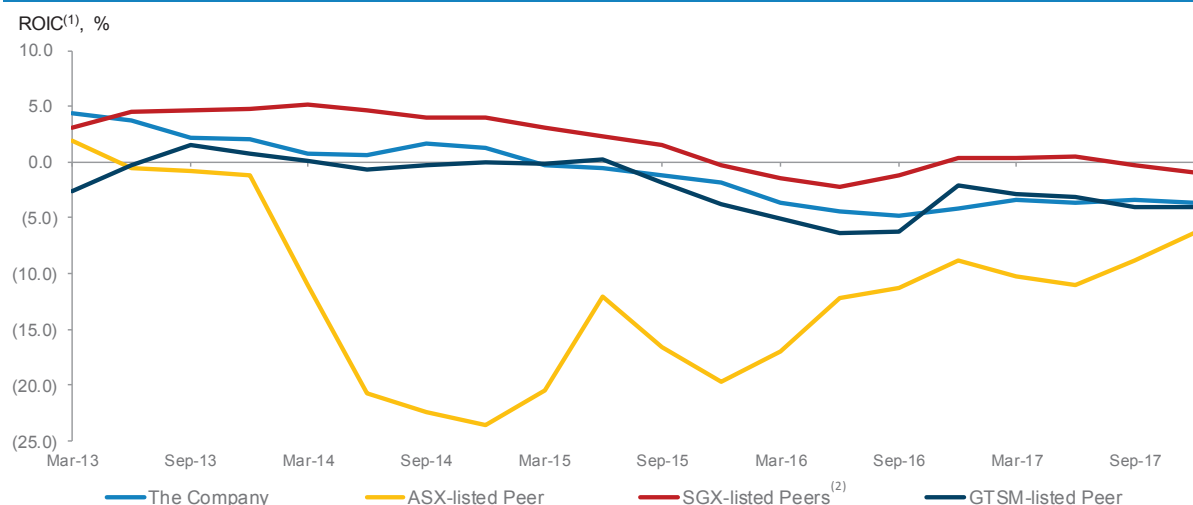
Change in EBITDA margins - CY2013 to CY2017

	CY2013 EBITDA margin (%)	CY2017 EBITDA margin (%)	Change in EBITDA margin (%)
	(A)	(B)	(A) - (B)
The Company	19.7%	13.7%	(6.0%)
SGX-listed Peers	23.8%	22.8%	(1.0%)
ASX-listed Peer	16.0%	9.5%	(6.6%)
GTSM-listed Peer	29.8%	21.8%	(8.0%)

Based on the above, we note that the sector in general, as observed for the Company, SGX-listed Peers, ASX-listed Peer and GTSM-listed Peer, had experienced a trend of declining EBITDA margins over the 5 CYs prior to the Latest Practicable Date, with total declines of 6.0%, 1.0%, 6.6% and 8.0%, respectively, on a percentage point basis from CY2013 to CY2017.

We have further set out below a comparison of the historical return on invested capital ("ROIC") trends (based on trailing net income) of the Company against those of the Comparable Companies over the last 5 CYs prior to the Latest Practicable Date.

Historical ROIC trend - CY2013 to CY2017



Change in ROIC - CY2013 to CY2017

	CY2013 ROIC (%)	CY2017 ROIC (%)	Change in ROIC (%)
	(A)	(B)	(A) - (B)
The Company	2.0%	(3.7%)	(5.7%)
SGX-listed Peers	4.7%	(0.9%)	(5.6%)
ASX-listed Peer	(1.2%)	(6.4%)	(5.3%)
GTSM-listed Peer	0.7%	(4.0%)	(4.7%)

Based on the above, we note that:

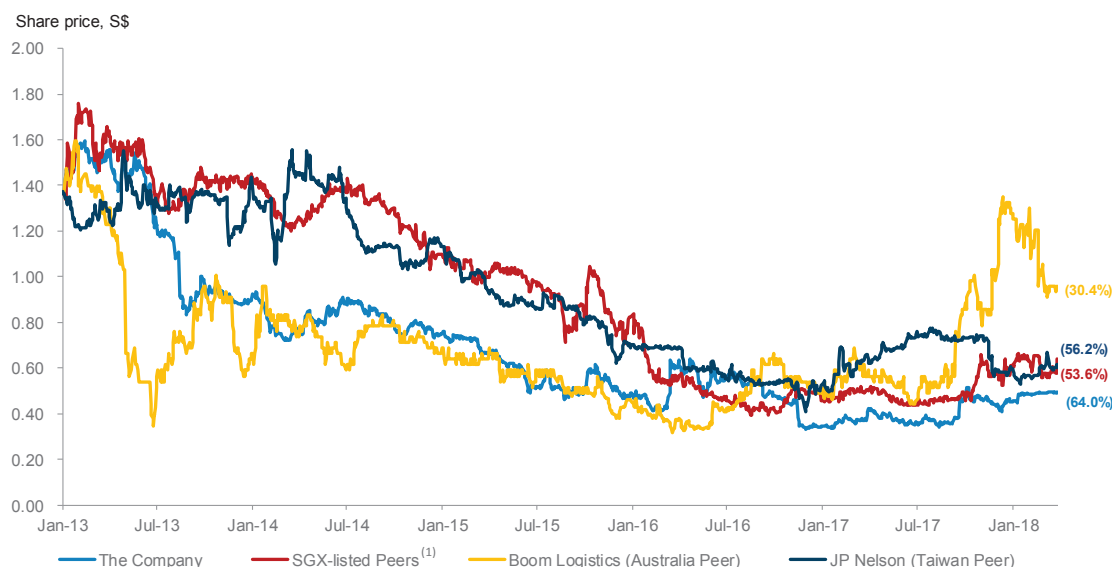
- The sector in general, as observed for the Company, SGX-listed Peers, ASX-listed Peer and GTSM-listed Peer, had experienced a trend of declining ROICs over the 5 CYs prior to the Latest Practicable Date, with total declines of 5.7%, 5.6%, 5.3% and 4.7%, respectively, on a percentage points basis from CY2013 to CY2017; and
- The Company's ROIC has been negative since CY2015 and up to the Latest Practicable Date, thereby underperforming its SGX-listed Peers.

Based on the analysis above, the industry in which the Company operates appears to have been in a downtrend, as evidenced by the selected financial metrics of the Company and its peers over the last 5 calendar years. As with any cyclical industry, a recovery may eventually materialise, albeit with uncertainty around the timing and magnitude of any such recovery.

8.4 Industry relative share price performance

The chart below sets out the market price performance, on a daily basis, of the Comparable Companies (as defined herein) rebased to that of the Shares for the period starting 1 January 2013 and up to the Latest Practicable Date:

Relative share price performance from 1 Jan 2013 to the LPD



Source: Capital IQ. Market data as of 29 March 2018 close.

Note:

(1) Constituents include the Comparable Companies (Tiong Woon Corporation Holding Ltd, Sin Heng Heavy Machinery Limited and Hiap Tong Corporation Ltd.) and are weighted based on their respective market capitalisations. This custom index has been rebased to the closing price of the Shares at the start of the aforementioned period.

Based on the above, we note that:

- (i) The sector in general, as observed for the Company, SGX-listed Peers, ASX-listed Peer and GTSM-listed Peer, had experienced a trend of declining share prices over the period starting 1 January 2013 and up to the Latest Practicable Date, with total declines of 64.0%, 53.6%, 30.4% and 56.2%, respectively; and
- (ii) Boom Logistics' share price may have been supported by takeover speculation as Mergermarket had reported in November 2017 that its top shareholder had plans to exit and that several approaches had been received in connection to a potential acquisition of a stake in the company.

Shareholders should note that the past trading performance of the Shares should not in any way be relied upon as an indication or a guarantee of its future trading performance.

8.5 Relative liquidity analysis

In general, share prices may be affected by various factors including free float, relative liquidity and investor interest or market sentiment at a given point in time. In evaluating the Offer Price relative to the Company's historical Share price, we have considered the relative liquidity of the Company in comparison with the Top 15 STI Companies, as of the Latest Practicable Date and the Last Undisturbed Trading Date. This analysis is to determine whether historical trading prices provide a meaningful reference point for comparison against the Offer Price.

Liquidity analysis of the Top 15 STI Companies as of the Latest Practicable Date

Liquidity analysis of top 15 SGX-ST listed companies by market capitalisation ⁽¹⁾						
Company Name	Market capitalisation ⁽²⁾ (S\$m)	Free Float ⁽³⁾ (%)	Past 12 months ADTV (‘000 shares) ⁽⁴⁾	Past 12 months ADTV (S\$’000)	12-mth ADTV / Free Float (%) ⁽⁵⁾	12-mth ADTV / Market cap. (%) ⁽⁶⁾
DBS Group Holdings Ltd	70,506	70.6%	4,126	95,794	0.23%	0.14%
Singapore Telecommunications Limited	55,028	50.0%	19,509	71,646	0.24%	0.13%
Oversea-Chinese Banking Corporation Limited	53,637	79.8%	4,831	55,720	0.14%	0.10%
United Overseas Bank Limited	45,689	85.6%	2,039	50,828	0.14%	0.11%
Jardine Matheson Holdings Limited	44,752	34.3%	196	12,555	0.08%	0.03%
Jardine Strategic Holdings Limited	42,470	16.4%	234	9,759	0.13%	0.02%
Wilmar International Limited	20,118	31.2%	5,396	17,986	0.27%	0.09%
Thai Beverage Public Company Limited	19,587	32.2%	17,467	15,808	0.22%	0.08%
Hongkong Land Holdings Limited	16,211	49.8%	1,469	10,784	0.13%	0.07%
CapitaLand Limited	15,072	59.7%	9,120	33,224	0.36%	0.22%
Keppel Corporation Limited	14,075	99.9%	3,795	27,663	0.21%	0.20%
Jardine Cycle & Carriage Limited	13,636	25.0%	230	9,407	0.23%	0.07%
Genting Singapore PLC	13,009	47.0%	23,702	28,222	0.42%	0.22%
Singapore Airlines Limited	12,819	44.3%	1,243	13,089	0.24%	0.10%
City Developments Limited	11,821	64.6%	1,533	18,123	0.26%	0.15%
Maximum	70,506	99.9%	23,702	95,794	0.42%	0.22%
Mean	29,895	52.7%	6,326	31,374	0.22%	0.12%
Median	19,587	49.8%	3,795	18,123	0.23%	0.10%
Minimum	11,821	16.4%	196	9,407	0.08%	0.02%
The Company	373	41.7%	1,113	508	0.35%	0.14%

Source: Bloomberg.

Notes:

- (1) All figures as of the Latest Practicable Date. Great Eastern Holdings Limited has been excluded from the list as it is an outlier with 11.2% free float and 12-mth ADTV / free float of 0.02% and 12-mth ADTV / market capitalisation of 0.002%.
- (2) Closing share price multiplied by number of shares outstanding.
- (3) Free float percentages are based on Bloomberg.
- (4) Average daily traded volume for the 12-month period up to the Latest Practicable Date expressed in thousands of shares.
- (5) Average daily traded volume for the 12-month period up to the Latest Practicable Date, divided by free float number of shares.
- (6) Average daily traded value for the 12-month period up to the Latest Practicable Date, divided by market capitalisation.

With respect to the above table, we note that:

- (i) In the 12-month period up to the Latest Practicable Date, the average daily traded volume of the Shares represented 0.35% of the Company's free float which is within the Top 15 STI Companies range of 0.08% to 0.42% and above the mean and median of 0.22% and 0.23%, respectively; and
- (ii) In the 12-month period up to the Latest Practicable Date, the average daily traded value of the Shares represented 0.14% of the Company's market capitalisation which is within the Top 15 STI Companies range of 0.02% to 0.22% and in line with the mean and median of 0.12% and 0.10%, respectively.

Liquidity analysis of the Top 15 STI Companies as of the Last Undisturbed Trading Date

Liquidity analysis of top 15 SGX-ST listed companies by market capitalisation⁽¹⁾

Company Name	Market capitalisation ⁽²⁾ (S\$m)	Free Float ⁽³⁾ (%)	Past 12 months ADTV (‘000 shares) ⁽⁴⁾	Past 12 months ADTV (S\$’000)	12-mth ADTV / Free Float (%) ⁽⁵⁾	12-mth ADTV / Market cap. (%) ⁽⁶⁾
Singapore Telecommunications Limited	60,418	50.1%	18,401	70,225	0.23%	0.12%
DBS Group Holdings Ltd	52,342	70.6%	4,365	81,649	0.24%	0.16%
Jardine Strategic Holdings Limited	50,066	16.3%	396	15,285	0.22%	0.03%
Jardine Matheson Holdings Limited	47,174	34.8%	226	14,049	0.09%	0.03%
Oversea-Chinese Banking Corporation Limited	46,124	79.8%	4,877	47,853	0.15%	0.10%
United Overseas Bank Limited	38,390	85.6%	2,211	47,382	0.16%	0.12%
Thai Beverage Public Company Limited	22,850	32.2%	18,090	16,441	0.22%	0.07%
Wilmar International Limited	20,618	31.5%	6,019	21,156	0.30%	0.10%
Hongkong Land Holdings Limited	17,552	49.8%	1,526	10,841	0.13%	0.06%
Jardine Cycle & Carriage Limited	15,592	25.0%	250	10,635	0.25%	0.07%
CapitalLand Limited	15,460	59.9%	9,427	32,619	0.37%	0.21%
Genting Singapore PLC	13,649	47.0%	21,754	22,078	0.38%	0.16%
Singapore Airlines Limited	11,979	44.3%	1,232	12,422	0.24%	0.10%
Keppel Corporation Limited	11,548	99.9%	3,834	23,916	0.21%	0.21%
Singapore Technologies Engineering Ltd	10,976	48.9%	3,048	10,769	0.20%	0.10%
Maximum	60,418	99.9%	21,754	81,649	0.38%	0.21%
Mean	28,982	51.7%	6,377	29,155	0.23%	0.11%
Median	20,618	48.9%	3,834	21,156	0.22%	0.10%
Minimum	10,976	16.3%	226	10,635	0.09%	0.03%
The Company	290	41.7%	740	283	0.24%	0.10%

Source: Bloomberg.

Notes:

- (1) All figures as of the Last Undisturbed Trading Date. Great Eastern Holdings Limited has been excluded from the list as it is an outlier with 11.2% free float and 12-mth ADTV / free float of 0.02% and 12-mth ADTV / market capitalisation of 0.002%.
- (2) Closing share price multiplied by number of shares outstanding.
- (3) Free float percentages are based on Bloomberg.
- (4) Average daily traded volume for the 12-month period up to the Last Undisturbed Trading Date expressed in thousands of shares.
- (5) Average daily traded volume for the 12-month period up to the Last Undisturbed Trading Date, divided by free float number of shares.
- (6) Average daily traded value for the 12-month period up to the Last Undisturbed Trading Date, divided by market capitalisation.

With respect to the above table, we note that:

- (i) In the 12-month period up to the Last Undisturbed Trading Date, the average daily traded volume of the Shares represented 0.24% of the Company's free float which is within the Top 15 STI Companies range of 0.09% to 0.38% and above the mean and median of 0.23% and 0.22%, respectively; and
- (ii) In the 12-month period up to the Last Undisturbed Trading Date, the average daily traded value of the Shares represented 0.10% of the Company's market capitalisation which is within the Top 15 STI Companies range of 0.03% to 0.21% and in line with the mean and median of 0.11% and 0.10%, respectively.

The above analysis suggests that the Shares did not suffer from illiquid trading conditions in the 12-month period up to the Last Undisturbed Trading Date.

Since 15 March 2016 there have been a number of corporate actions which may have had an impact on both the Share price performance and the volume of trading of the Shares. We observe that the trading liquidity of the Shares was significantly lower prior to March 2016. We note that there is no assurance that the Share price and its trading liquidity would remain at current levels in the event the Offer lapses. We also wish to highlight that the historical trading performance of the Shares serves only as an illustrative guide and should not be relied upon as an indication of the future price performance of the Shares, which will be governed by amongst other factors, the performance and prospects of the Company, prevailing economic conditions, economic outlook, and stock market conditions and sentiment.

8.6 Historical Share price trading and VWAP analysis

We have compared the Offer Price to the historical price performance of the Shares and considered the historical trading activity of the Shares. We set out below a chart of the closing price of the Shares for the period starting from 24-month prior to the Last Undisturbed Trading Date and up to the Latest Practicable Date.



Source: Capital IQ, Company announcements.

A summary of the salient announcements made by the Company during the 24-month period up to the Last Undisturbed Trading Date and up to the Latest Practicable Date is set out below:

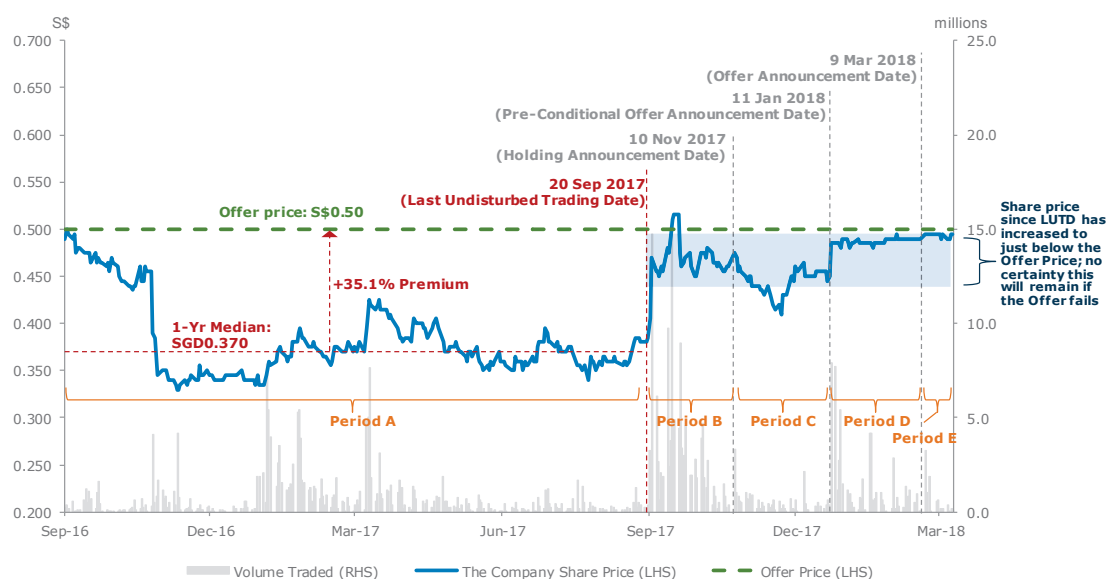
(1)	21-Sep-15	Announced proposed spin-off and listing of part or all of the Group's business in the People's Republic of China on the Taiwan Stock Exchange
(2)	13-Nov-15	2Q FY2016 results announcement: The Company reports 2Q FY2016 net profit of S\$4.4 million, representing a decline of 62% over the same period a year ago
(3)	12-Feb-16	3Q FY2016 results announcement: The Company reports 3Q FY2016 net loss of S\$6.7 million, compared with a net profit of S\$4.5 million for the same quarter a year ago
(4)	15-Feb-16	Announced disposal of 11 Gul Crescent property to JTC Corporation for a cash consideration of S\$21.0 million, resulting in a pre-tax gain on disposal of approximately S\$9.5 million
(5)	15-Mar-16	Announced that the Company had been approached in connection with a potential transaction which may or may not lead to an acquisition of the issued share capital of the Company. The Company appointed Rippledot as its financial adviser in connection with such approach
(6)	27-May-16	4Q FY2016 results announcement: The Company reports 4Q FY2016 net loss of S\$39.8 million, compared with a net loss of S\$17.1 million for the same quarter a year ago
(7)	4-Jul-16	Announced that the Company's 82%-owned subsidiary, Tat Hong Equipment Service Co. Ltd., has informed the Taiwan Stock Exchange ("TWSE") that it will not proceed with the listing of its shares on TWSE
(8)	12-Aug-16	1Q FY2017 results announcement: The Company reports 1Q FY2017 net loss of S\$3.6 million, compared with a net profit of S\$2.8 million for the same quarter a year ago

(9)	8-Sep-16	Pursuant to the announcement made on 15 March 2016, the Company announced that the counterparty had informed the Company it would not be proceeding with its assessment of the potential transaction, in view of the economic conditions impacting the counterparty's business at that point in time. Accordingly, the Company had ceased discussions with the counterparty
(10)	14-Nov-16	2Q FY2017 results announcement: The Company reports 2Q FY2017 net loss of S\$5.4 million, compared with a net profit of S\$4.4 million for the same quarter a year ago; Announced a proposal for a renounceable underwritten rights issue of up to 125,776,884 new ordinary Shares at an issue price of S\$0.33 for each rights Share, on the basis of one rights Share for every five existing ordinary Shares held by the Shareholders
(11)	14-Feb-17	3Q FY2017 results announcement: The Company reports 3Q FY2017 net profit of S\$0.2 million, compared with a net loss of S\$6.7 million for the same quarter a year ago
(12)	30-May-17	4Q FY2017 results announcement: The Company reports 4Q FY2017 net loss of S\$29.2 million, compared with a net loss of S\$39.8 million for the same quarter a year ago
(13)	14-Aug-17	1Q FY2018 results announcement: The Company reports 1Q FY2018 net loss of S\$5.1 million, compared with a net loss of S\$3.6 million for the same quarter a year ago
(14)	21-Sep-17	Initial Announcement Date – Announced that the Company had been approached by certain parties in connection with a potential transaction in relation to the securities of the Company. The Company appointed Rippledot as its financial adviser in connection with such approaches
(15)	10-Nov-17	Holding Announcement Date – Announced that the Company has received a non-binding letter from SCPE confirming its proposal to acquire the Shares of the Company at an offer price of S\$0.50 per Share, subject to various conditions
(16)	14-Nov-17	2Q FY2018 results announcement: The Company reports 2Q FY2018 net loss of S\$2.8 million, compared with a net loss of S\$5.4 million for the same quarter a year ago
(17)	11-Jan-18	Pre-Conditional Offer Announcement Date – OCBC announced, for and on behalf of the Offeror, the Offeror's voluntary conditional cash offer for the Shares of the Company
(18)	25-Jan-18	In connection with the Offer, the Company announced that the ACCC Clearance Condition had been satisfied
(19)	13-Feb-18	In connection with the Offer, the Company announced that the FIRB Approval Condition had been satisfied
(20)	9-Mar-18	Offer Announcement Date – The Offeror received confirmation that the MOFCOM Clearance Condition had been satisfied; the Offeror announced its firm intention to make a voluntary conditional cash offer for all the Shares of the Company. The Offer is conditional on the Offeror receiving acceptances, which would result in the Offeror holding not less than 90% of the Shares at the close of the Offer

Source: Company announcements.

The historical price performance of the Shares for the relevant benchmark periods starting 12 months prior to the Last Undisturbed Trading Date and up to the Latest Practicable Date is set out below:

Historical price performance of the Shares (12 months prior to LUTD and up to LPD)



Source: Capital IQ, Company announcements.

Based on the above, we note that:

- (i) The Offer Price of S\$0.50 per Share represents a 35.1% premium over the median Share price of S\$0.370 per Share at which the Company had traded in the 12-month period up to the Last Undisturbed Trading Date;
- (ii) The Offer Price of S\$0.50 per Share is higher than the highest closing price of the Shares of S\$0.498 over the 12-month period up to the Last Undisturbed Trading Date; and
- (iii) The Shares have not traded above S\$0.50 per Share over the period from 10 November 2017 (the Holding Announcement Date), being the date the Offer Price of S\$0.50 per Share was first disclosed to the market, and up to the Latest Practicable date.

Additional information on the traded closing prices, volume-weighted average prices ("VWAPs") and average daily trading volumes of the Shares for various reference periods up to the relevant benchmark dates is set out as follows:

Relevant benchmark period	Reference period to relevant date	Highest closing price (\$)	Lowest closing price (\$)	VWAP ⁽¹⁾ (\$)	Premium / (discount) implied by Offer Price ⁽²⁾	ADTV ⁽³⁾ ('000 shares)	ADTV as percentage of free float ⁽⁴⁾	ADTV ⁽⁵⁾ (\$'000)	ADTV as percentage of market cap
A.	Periods up to the Last Undisturbed Trading Date (20 Sep 2017):								
	1 Market Day	0.385	0.385	0.385 ⁽⁶⁾	29.9%	390	0.12%	148	0.05%
	1 month	0.385	0.355	0.373	34.0%	263	0.08%	98	0.03%
	3 months	0.395	0.340	0.369	35.5%	323	0.10%	119	0.04%
	6 months	0.425	0.340	0.392	27.6%	597	0.19%	234	0.08%
	12 months	0.498	0.328	0.382	30.9%	742	0.24%	283	0.10%
B.	Period from Initial Announcement Date to the LTD to Holding Announcement Date (21 Sep 2017 to 9 Nov 2017):								
	Period from Initial Announcement Date to the LTD to Holding Announcement Date	0.515	0.405	0.476	5.0%	3,460	1.10%	1,648	0.48%
	LTD to Holding Announcement Date	0.460	0.460	0.460 ⁽⁶⁾	8.7%	391	0.12%	180	0.05%
C.	Period from Holding Announcement Date to the LTD to Pre-Conditional Offer Announcement Date (10 Nov 2017 to 10 Jan 2018):								
	Period from Holding Announcement Date to the LTD to Pre-Conditional Offer Announcement Date	0.475	0.410	0.454	10.1%	550	0.18%	249	0.07%
	LTD to Pre-Conditional Offer Announcement Date	0.445	0.445	0.445 ⁽⁶⁾	12.4%	638	0.20%	287	0.09%
D.	Period from Pre-Conditional Offer Announcement Date to the LTD to Offer Announcement Date (11 Jan 2018 to 9 Mar 2018):								
	Period from Pre-Conditional Offer Announcement Date to the LTD to Offer Announcement Date	0.495	0.450	0.486	2.9%	1,381	0.44%	670	0.18%
	LTD to Offer Announcement Date	0.490	0.490	0.490 ⁽⁶⁾	2.0%	61	0.02%	30	0.01%
E.	Period from Offer Announcement Date to the Latest Practicable Date (9 Mar 2018 to 29 March 2018):								
	Period from Offer Announcement Date to Latest Practicable Date	0.495	0.490	0.494	1.1%	667	0.21%	330	0.09%
	Latest Practicable Date	0.495	0.495	0.495 ⁽⁶⁾	1.0%	127	0.04%	62	0.02%

Source: Bloomberg.

- (1) The VWAP is weighted based on the traded volume of Shares traded and transacted prices of the Shares for the Market Days in the reference periods. VWAP figures shown are rounded to the nearest three decimal places. No adjustments to share prices have been made for dividends, bonus issues or other corporate transactions in each respective reference period. Figures are rounded to the nearest three decimal places.
- (2) Rounded to the nearest one decimal place.
- (3) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded divided by the number of Market Days during the relevant periods.
- (4) Free float is based on Bloomberg and refers to the number of shares that are available to the public. This figure is calculated by subtracting the shares held by insiders and those deemed to be stagnant shareholders from the shares outstanding. Stagnant holders include ESOP's, ESOT's, QUEST's, employee benefit trusts, corporations not actively managing money, venture capital companies and shares held by governments.
- (5) The average daily traded value of the Shares is calculated based on the total value of Shares traded divided by the number of Market Days during the relevant periods.
- (6) Closing price of the Shares.

Based on the above, we note that:

A. Periods up to the Last Undisturbed Trading Date

- (i) During the 12-month period prior to the Last Undisturbed Trading Date, the closing prices of the Shares ranged between a low of S\$0.328 (on 30 November 2016) and a high of S\$0.498 (on 22 September 2016). The Offer Price represents (i) a premium of approximately 52.3% over the lowest closing price of the Shares, and (ii) a premium of approximately 0.5% over the highest closing price of the Shares, during the aforementioned 12-month period prior to the Last Undisturbed Trading Date;
- (ii) The Offer Price represents a premium of 34.0%, 35.5%, 27.6% and 30.9% over the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date, respectively;
- (iii) The Offer Price represents a premium of 29.9% over the closing price of the Shares of S\$0.385 on the Last Undisturbed Trading Date;
- (iv) The average daily trading volume of the Shares as a percentage of the free float ranged between 0.08% and 0.24%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;

- (v) The average daily trading volume of the Shares as a percentage of the market capitalisation ranged between 0.03% and 0.10%, in the 1-month, 3-month, 6-month and 12-month periods up to the Last Undisturbed Trading Date;
- B. Period from the Initial Announcement Date to the LTD to Holding Announcement Date (21 September 2017 to 9 November 2017)
- (i) The Offer Price represents a premium of 5.0% over the VWAP of the Shares of S\$0.476 for the period from the Initial Announcement Date to the LTD to Holding Announcement Date;
 - (ii) The Offer Price represents a premium of 8.7% over the closing price of the Shares of S\$0.460 on the LTD to Holding Announcement Date;
 - (iii) The average daily trading volume of the Shares as a percentage of the free float and market capitalisation was approximately 1.10% and 0.48%, respectively, for the period from the Initial Announcement Date to the LTD to Holding Announcement Date;
- C. Period from the Holding Announcement Date to the LTD to Pre-Conditional Offer Announcement Date (10 November 2017 to 10 January 2018)
- (i) The Offer Price represents a premium of 10.1% over the VWAP of the Shares of S\$0.454 for the period from the Holding Announcement Date to the LTD to Pre-Conditional Offer Announcement Date;
 - (ii) The Offer Price represents a premium of 12.4% over the closing price of the Shares of S\$0.445 on the LTD to Pre-Conditional Offer Announcement Date;
 - (iii) The average daily trading volume of the Shares as a percentage of the free float and market capitalisation was approximately 0.17% and 0.07%, respectively, for the period from the Holding Announcement Date to the LTD to Pre-Conditional Offer Announcement Date;
- D. Period from the Pre-Conditional Offer Announcement Date to the LTD to Offer Announcement Date (11 January 2018 to 9 March 2018)
- (i) The Offer Price represents a premium of 2.9% over the VWAP of the Shares of S\$0.486 for the period from the Pre-Conditional Offer Announcement Date to the LTD to Offer Announcement Date;
 - (ii) The Offer Price represents a premium of 2.0% over the closing price of the Shares of S\$0.490 on the LTD to Offer Announcement Date;
 - (iii) The average daily trading volume of the Shares as a percentage of the free float and market capitalisation was approximately 0.44% and 0.18%, respectively, for the period from the Pre-Conditional Offer Announcement Date to the LTD to Offer Announcement Date;

E. Period from the Offer Announcement Date to the Latest Practicable Date (9 March 2018 to 29 March 2018)

- (i) The Offer Price represents a premium of 1.0% over the VWAP of the Shares of S\$0.494 for the period from the Offer Announcement Date and up to the Latest Practicable Date;
- (ii) The Offer Price represents a premium of 1.0% over the closing price of the Shares of S\$0.495 on the Latest Practicable Date; and
- (iii) The average daily trading volume of the Shares as a percentage of the free float and market capitalisation was approximately 0.21% and 0.09%, respectively, for the period from the Offer Announcement Date to the Latest Practicable Date.

Since 15 March 2016 there have been a number of corporate actions which may have had an impact on both the Share price performance and the volume of trading of the Shares. We observe that the trading liquidity of the Shares was significantly lower prior to March 2016. We wish to highlight that there is no assurance that the Share price and its trading liquidity would remain at the current levels in the event the Offer lapses. Shareholders should note that the past trading performance of the Shares should not in any way be relied upon as an indication or a guarantee of its future trading performance.

8.7 Broker target prices of the Shares

As part of our evaluation of the Offer, we have reviewed the price targets for the Shares issued by brokerage and research entities in the 6-month period up to and including the Last Undisturbed Trading Date.

As at the Latest Undisturbed Trading Date, there was no equity research coverage for the Company. The only research entity covering the Company was OCBC before it ceased its coverage on 20 August 2017. Prior to 20 August 2017, OCBC had a target price of S\$0.370 per Share ("**OCBC Target Price**").

We note that the Offer Price of S\$0.500 represents a 35.1% to the OCBC Target Price.

8.8 Trading multiples analysis

We have examined selected Comparable Companies in the Asia Pacific region principally engaged in the crane / heavy equipment rental and trading business. Whilst we believe that there is no direct comparable to the Company, we have screened and selected the following list for relatively closer Comparable Companies based on revenue composition (i.e. business segments) and geographical mix.

We have considered the following trading multiples for the Comparable Companies with respect to multiples implied by the Offer Price:

- EV / Sales;
- EV / EBITDA; and
- P / NAV

We have conducted our analysis for the comparison of the implied valuation multiples for the Comparable Companies as set out below:

Trading multiples of the Comparable Companies as at LPD

Company	Exchange	Share Price	Market Cap (\$m) ⁽¹⁾	EV ⁽²⁾ (\$m)	EV / Sales ⁽³⁾		EV / EBITDA ⁽⁴⁾		P / NAV ⁽⁵⁾
					LTM		LTM		
Tiong Woon ⁽⁶⁾	SGX	SGD	0.32	74	183	1.82x	8.1x		0.30x
Sin Heng ⁽⁷⁾	SGX	SGD	0.50	56	87	1.05x	6.3x		0.47x
Hiap Tong ⁽⁸⁾	SGX (Catalist)	SGD	0.11	33	72	1.64x	5.3x		0.39x
Boom Logistics ⁽⁹⁾	ASX	AUD	0.20	93	137	0.81x	8.6x		0.63x
JP Nelson ⁽¹⁰⁾	GTSM	TWD	13.35	44	125	1.69x	8.1x		0.65x
					High	1.82x	8.6x		0.65x
					Mean	1.40x	7.3x		0.49x
					Median	1.64x	8.1x		0.47x
					Low	0.81x	5.3x		0.30x
The Company - Offer Price Implied⁽¹¹⁾						1.50x	10.9x		0.65x

Source: Capital IQ, published financial statements of the respective Comparable Companies.

Notes:

- (1) Market capitalisation calculated based on share prices and exchange rates from Capital IQ as at the Latest Practicable Date multiplied by the fully diluted shares outstanding as per the latest company filings.
- (2) Enterprise Value is the sum of the market capitalisation, minority interests, short and long term debt less its cash and cash equivalents.
- (3) Ratio of enterprise value to the relevant company's last twelve months ("LTM") sales.
- (4) EBITDA includes share of results of associates and joint ventures and have been adjusted for one-off and extraordinary items per the footnotes below.
- (5) NAV based on the relevant company's book value as recorded in the latest reported financial statements, excluding any minority interests.
- (6) Financial information reflects data for the LTM ended 31 December 2017. EBITDA figure has been adjusted for extraordinary items including gain on disposal of subsidiaries and plant, property and equipment, bad debt write-offs, fair value gain/loss on financial assets at fair value and net currency translation gain/loss.
- (7) Financial information reflects data for the LTM ended 31 December 2017. EBITDA figure has been adjusted for extraordinary items including gain on derivative financial instruments, insurance claim income, gain on disposal of plant, property and equipment, net unrealised foreign exchange adjustment and loss on disposal of investment in an associate.
- (8) Financial information reflects data for the LTM ended 30 September 2017. EBITDA figure has been adjusted for extraordinary items including net foreign exchange loss, gain on disposal of plant, property and equipment, recovery of bad debts and net change in fair value of investment properties.
- (9) Based on an exchange rate of 1.00SGD/0.99AUD as of 29 March 2018. Financial information reflects data for the LTM ended 31 December 2017. EBITDA figure has been adjusted for extraordinary items including legal settlement income, loss on disposal of plant, property and equipment, impairment of plant, property and equipment and impairment of assets classified as held for sale.
- (10) Based on an exchange rate of 1.00SGD/22.23TWD as of 29 March 2018. Financial information reflects data for the LTM ended 30 September 2017.
- (11) Financial information reflects data for the LTM ended 31 December 2017. EBITDA figure has been adjusted for extraordinary items including gain on disposal of subsidiaries and plant, property and equipment, trade receivables written off, realised and unrealised foreign exchange loss, impairment loss on plant, property and equipment and impairment loss on investment in associates, intangible assets and re-measurement of assets held for sale.

Based on the above table, we note that:

- (i) The EV / LTM Sales multiple implied by the Offer Price of 1.50x is within the mean and median of the EV / LTM Sales multiples of the Comparable Companies;
- (ii) The EV / LTM EBITDA multiple implied by the Offer Price of 10.9x is above the range of the EV / LTM EBITDA multiples of the Comparable Companies; and
- (iii) The P / NAV multiple implied by the Offer Price of 0.65x is above the range of the P / NAV multiples of the Comparable Companies.

In relation to the P / NAV multiple implied by the Offer Price, we note that the crane / heavy equipment rental and trading industry appears to have been in a cyclical downturn, and this is reflected in a median industry P / NAV multiple of 0.47x.

Whilst the P / NAV multiple of 0.65x implied by the Offer Price is at a 35% discount to book value, it is at a c.38% premium to the current median industry multiple. If and when the industry cycle recovers, the mean / median multiples may revert back to book value, although the timing of any potential recovery remains uncertain.

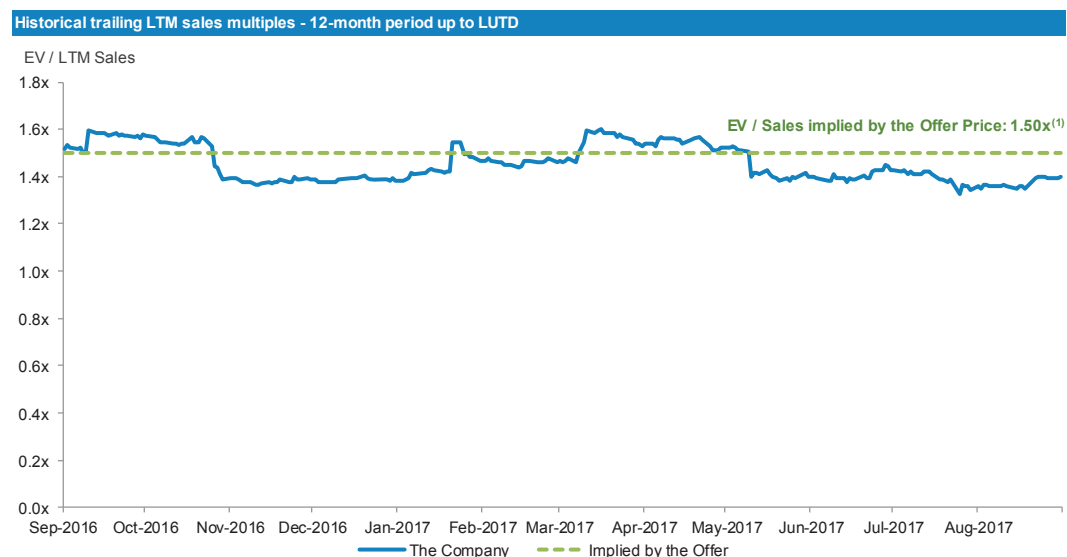
We wish to highlight that the Comparable Companies included in our analysis may not be exhaustive and they differ from the Company in terms of, *inter alia*, market capitalisation, size of operations, client base, composition of business activities, asset base, geographical spread, track record, operating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

We further wish to highlight that the underlying financial data used to calculate the valuation multiples in our analysis have been extracted from Capital IQ, publicly available annual reports and / or public announcements of the Comparable Companies as of the Latest Practicable Date. We have not independently verified (nor have we assumed responsibility or liability for independently verifying) or ascertained and make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information.

8.9 Trailing valuation multiples of the Company and Comparable Companies

Historical trading multiples are related to how companies are perceived by the stock market and subject to market efficiency and rationality, reflects the information relevant to a company such as its business directions, plans and strategies, expected financial performance, future prospects and potential growth and is susceptible to, *inter alia*, investor sentiment and market speculation.

We set out below a comparison of the EV / LTM Sales multiple implied by the Offer Price to the historical EV / LTM Sales of the Company based on the trailing 12-month sales over the LTM prior to the Last Undisturbed Trading Date.



Source: Market data from Capital IQ, LTM sales figures annualised based on Company filings.

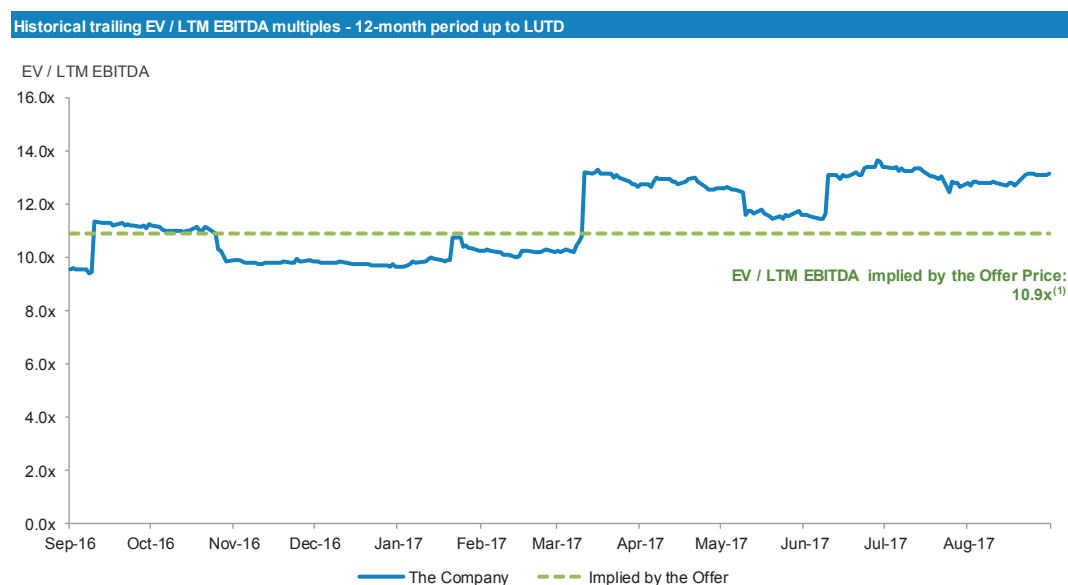
Note:

(1) EV / LTM Sales multiple implied by the Offer Price is based on the LTM sales of the Company as at 31 December 2017.

Trailing EV / LTM Sales for the 12-month period up to LUTD				
	Min	Median	Mean	Max
The Company	1.33x	1.42x	1.45x	1.60x

Based on the above, we note that the EV / LTM Sales multiple implied by the Offer Price of 1.50x is within the range of the historical EV / LTM Sales multiples (based on trailing 12-month revenue) of the Company of 1.33x to 1.60x and above the mean and median of 1.45x and 1.42x, respectively, over the 12-month period up to and including the Last Undisturbed Trading Date.

We also set out below a comparison of the EV / LTM EBITDA multiple implied by the Offer Price to those of the Company based on the trailing 12-month EBITDA over the LTM prior to the Last Undisturbed Trading Date.



Source: Market data from Capital IQ, EBITDA figures based on Company filings and includes share of results of associates and has been adjusted for one-off and extraordinary items including gain on disposal of subsidiaries and plant, property and equipment, trade receivables written off, realised and unrealised foreign exchange loss, impairment loss on plant, property and equipment and impairment loss on investment in associates, intangible assets and re-measurement of assets held for sale.

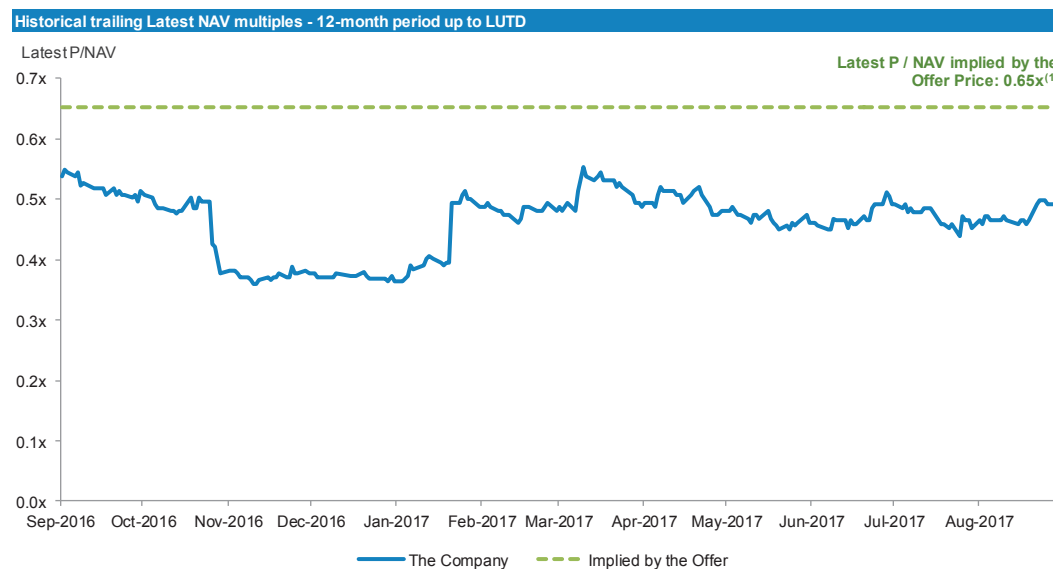
Notes:

(1) EV / LTM EBITDA multiple implied by the Offer Price based on the LTM EBITDA of the Company as at 31 December 2017.

Trailing EV / LTM EBITDA for the 12-month period up to LUTD				
	Min	Median	Mean	Max
The Company	9.4x	11.3x	11.4x	13.7x

Based on the above, we note that the EV / LTM EBITDA multiple implied by the Offer Price of 10.9x, calculated based on LTM EBITDA as at 31 December 2017, is within the range of the historical EV / LTM EBITDA multiples (based on trailing 12-month EBITDA) of the Company of 9.4x to 13.7x and below the mean and median, over the 12-month period up to and including the Last Undisturbed Trading Date.

We also set out below a comparison of the latest (“**Latest**”) P / NAV multiple implied by the Offer Price to those of the Company based on the trailing latest book net asset values over the LTM prior to the Last Undisturbed Trading Date.



Source: Market data from Capital IQ, NAV figures from Company filings.

Notes:

(1) P / NAV multiple implied by the Offer Price is based on the latest book net asset value of the Company as at 31 December 2017.

Trailing Latest P/NAV for the 12-month period up to LUTD				
	Min	Median	Mean	Max
The Company	0.36x	0.48x	0.46x	0.55x

Based on the above, we note that the Latest P / NAV multiple implied by the Offer Price of 0.65x is above the range of the historical Latest P / NAV multiples (based on trailing latest book net asset values) of the Company of 0.36x to 0.55x over the 12-month period up to and including the Last Undisturbed Trading Date.

We wish to highlight that the historical trading patterns or performance of the Shares and the Comparable Companies should not, in any way, be relied upon as an indication of its future trading patterns or performance, which will be governed by, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook and market conditions and sentiments.

8.10 Precedent transaction analysis

We reviewed precedent transactions completed between 1 January 2010 and the Latest Practicable Date, involving the acquisitions of companies involved in the crane rental and distribution sector in Asia Pacific. We have considered transactions with an enterprise value in excess of S\$100 million and excluded transactions where financial information to calculate the valuation ratios is not available in the public domain.

However, we were unable to identify any precedent transactions that we deemed to be comparable with the Offer taking into consideration a number of factors including, among others, composition of business activities, geographical spread, and timing of the respective precedent transactions with respect to the industry cycle. As an example, there was a precedent transaction in May 2012 involving Sin Heng as a target. Whilst we do consider Sin

Heng to be broadly comparable to the Company in some respects, we still felt that this 2012 transaction was not comparable as Sin Heng's P/NAV multiple in 2012 was significantly higher than Sin Heng's current P/NAV.

In addition, given the limited number of comparable transactions in the crane rental related segment completed in recent years, we also reviewed transactions involving companies in the general / heavy equipment rental and distribution business as part of the screening process. However, after due review and analysis, these have not been included in the precedent transactions list below due to various factors, including but not limited to the difference in nature of the business (for instance the crane rental business is typically more capital intensive and demands a longer payback period compared to the general / heavy equipment rental business); lack of recent relevant transactions; and limited geographical overlap between the target companies' and the Company's business.

8.11 Precedent takeovers premia analysis

We have reviewed selected completed takeovers and privatisation transactions in Singapore and control premiums paid between 1 January 2013 and the Latest Practicable Date which are disclosed below:

Note	Announcement Date	Target	Acquirer	Premium / (Discount) to VWAP Prior to Announcement*				
				Closing	1-month	3-month	6-month	12-month
(1)	3-Nov-17	Cogent Holdings	COSCO Shipping	5.2%	6.2%	12.7%	20.3%	30.6%
(2)	22-Sep-17	GP Batteries	GP Industries Limited	62.5%	62.9%	62.7%	61.1%	61.5%
(3)	20-Sep-17	Poh Tiong Choon	Respond Logistics Pte. Ltd.	1.6%	32.5%	43.2%	48.7%	58.1%
(4)	8-Sep-17	BRC Asia Limited	Toptip Holding	33.1%	30.3%	35.3%	42.0%	47.0%
(5)	29-May-17	Changtian Plastic & Chemical	United Tech Industries	45.3%	46.6%	48.2%	49.6%	62.9%
(6)	2-May-17	Nobel Design	Grand Slam RF18 Investments	8.5%	9.4%	15.9%	18.6%	22.6%
(7)	9-Apr-17	CWT Limited	HNA Belt and Road Investments	5.9%	6.4%	14.8%	27.3%	30.9%
(8)	23-Feb-17	Global Premium Hotels	JK Global Capital Pte. Ltd.	14.1%	18.1%	21.7%	23.3%	22.5%
(9)	7-Feb-17	Auric Pacific	Silver Creek Capital	13.4%	17.8%	23.8%	35.8%	59.6%
(10)	24-Nov-16	Advanced Integrated Manufacturing Corp	Voluntary Delisting	22.8%	20.7%	20.7%	17.3%	6.1%
(11)	8-Nov-16	ARA Asset Management	Athena Investment	26.2%	29.6%	30.3%	31.7%	43.9%
(12)	3-Nov-16	Super Group	Jacobs Douwe Egberts	62.5%	60.5%	62.5%	55.9%	51.0%
(13)	26-Oct-16	Innovalues Limited	Northstar Advisors	13.5%	19.0%	21.6%	27.8%	30.5%
(14)	24-Oct-16	China Auto Electronics	THB Auto Electronics	23.1%	56.9%	65.0%	65.0%	86.1%
(15)	20-Sep-16	Aztech Group	Voluntary Delisting	29.2%	38.3%	21.0%	10.5%	-13.2%
(16)	6-Sep-16	China Minzhong Food	Pure Gold Investment	25.0%	24.8%	23.1%	25.9%	35.4%
(17)	8-Aug-16	Sim Lian Group	Coronation 3G	14.9%	16.6%	19.5%	21.3%	23.0%
(18)	15-Jul-16	SMRT	Temasek	8.7%	10.8%	10.7%	8.7%	15.5%
(19)	8-Jun-16	Otto Marine	Voluntary Delisting	39.1%	44.8%	43.5%	42.9%	-13.5%
(20)	30-May-16	Neptune Orient Lines	CMA CGM	48.6%	51.0%	32.9%	30.7%	35.1%
(21)	16-May-16	Eu Yan Sang	Righteous Crane Holding	2.6%	8.5%	16.5%	24.7%	22.5%
(22)	9-May-16	China Merchants Holdings	Easton Overseas Ltd	22.9%	21.8%	25.3%	20.2%	8.0%
(23)	21-Apr-16	Pteris Global	Sharp Vision Holdings	32.4%	38.0%	44.1%	49.6%	45.3%
(24)	28-Mar-16	GMG	Halcyon Agri	13.6%	121.4%	95.1%	85.6%	10.3%
(25)	23-Mar-16	Select Group	International Culinary Management	23.5%	37.9%	43.4%	31.6%	27.0%

Note	Announcement Date	Target	Acquirer	Premium / (Discount) to VWAP Prior to Announcement*				
				Closing	1-month	3-month	6-month	12-month
(26)	7-Mar-16	Osim	Vision Three	27.0%	40.9%	42.5%	16.7%	(2.2%)
(27)	25-Feb-16	Xinren Aluminium	Merit Stand Inc	66.7%	63.9%	63.5%	57.9%	35.7%
(28)	27-Jan-16	LantroVision (S)	MIRAIT Singapore	47.7%	42.8%	46.2%	56.6%	42.1%
(29)	23-Dec-15	Interplex	Baring Private Equity Asia	15.5%	11.1%	13.1%	16.5%	11.4%
(30)	22-Dec-15	Li Heng Chemical Fibre	Precious Joy Management	115.1%	100.8%	104.5%	60.3%	58.7%
(31)	18-Nov-15	HTL International Holdings	Ideal Homes	46.0%	69.2%	98.4%	105.3%	113.2%
(32)	6-Nov-15	Tiger Airways	Singapore Airlines	45.2%	48.5%	56.3%	50.0%	46.1%
(33)	17-Aug-15	Lizhong Wheel Group	Berkley International	96.1%	87.3%	79.2%	92.3%	96.1%
(34)	23-Jan-15	Keppel Land	Keppel Corp	20.0%	25.0%	28.8%	28.2%	29.6%
(35)	14-Jan-15	Popular Holdings	Grand Apex Holdings	39.1%	39.7%	37.3%	32.2%	28.5%
(36)	12-Jan-15	LCD Global Investments	Aspial Corporation	10.0%	11.5%	13.4%	13.4%	41.0%
(37)	30-Dec-14	Hafary Holdings Ltd	Hap Seng Investment	9.1%	11.1%	11.1%	14.8%	16.5%
(38)	30-Dec-14	STATS ChipPAC	JCET-SC (Singapore)	39.0%	24.5%	27.6%	32.1%	30.2%
(39)	11-Dec-14	CH Offshore	Falcon Energy Group	6.5%	8.1%	5.4%	5.1%	7.9%
(40)	12-Nov-14	CITIC Envirotech	CITIC / KKR	12.6%	16.5%	20.2%	28.1%	38.8%
(41)	3-Oct-14	UE E&C	Southern Capital	(2.3%)	2.7%	5.0%	(2.9%)	6.9%
(42)	25-Sep-14	Lee Kim Tah Holdings	Lee family	6.4%	11.8%	12.3%	13.5%	15.0%
(43)	27-May-14	Goodpack	KKR	23.2%	30.8%	31.3%	34.3%	44.7%
(44)	16-May-14	CapitaMalls Asia Ltd	Capitaland Ltd	30.2%	34.4%	32.8%	27.6%	24.3%
(45)	14-Apr-14	Hotel Properties Ltd	Cuscaden / Wheelock	29.4%	33.8%	35.1%	32.2%	28.0%
(46)	14-Mar-14	Olam	Temasek-led Consortium	11.8%	24.3%	33.0%	39.9%	35.9%
(47)	23-Feb-14	Singapore Land Ltd	United Industrial Corp Ltd	11.2%	16.9%	13.9%	11.0%	7.9%
(48)	6-Jan-14	Superbowl Holdings	Hiap Hoe Strategic	15.4%	34.9%	41.2%	45.0%	52.0%
(49)	13-Nov-13	Asia Power Corporation	Asia New Energy Holding	50.9%	60.2%	63.6%	72.6%	75.4%
(50)	5-Nov-13	Kreuz Holdings	Headland Capital Partners	4.6%	7.4%	6.3%	11.1%	39.6%
(51)	19-Oct-13	People's Food	New Oceania (Management)	2.6%	4.2%	10.0%	-6.4%	-1.9%
(52)	2-Sep-13	China Minzhong Food	Indofood	10.3%	5.5%	6.9%	2.2%	18.5%
(53)	5-Jul-13	Armstrong Industrial Corp	AGP Asia Holding	11.1%	14.0%	17.0%	21.1%	28.5%
(54)	5-Jul-13	Viz Brand	Ben Chng Beng Beng (CEO)	15.0%	17.9%	17.4%	17.4%	14.8%
(55)	21-Jun-13	Guthrie GTS	United SM Holdings	21.4%	21.9%	19.7%	20.2%	25.9%
(56)	21-Jun-13	Pan Pacific Hotel Group	UOL Group Ltd	9.0%	8.2%	6.1%	8.1%	17.9%
(57)	30-Jan-13	WBL	United Engineers	18.9%	17.7%	15.8%	18.9%	26.5%
			High	115.1%	121.4%	104.5%	105.3%	113.2%
			Mean	25.7%	31.2%	32.8%	32.5%	32.7%
			Median	20.0%	24.5%	25.3%	27.8%	29.6%
			Low	(2.3%)	2.7%	5.0%	(6.4%)	(13.5%)
(58)	Offer Price			29.9%	34.0%	35.5%	27.6%	30.9%

Source: Capital IQ, Bloomberg and relevant offer documents.

* Premium / (discount) calculated based on the last traded price prior to the relevant takeover announcement, or other reference date as described in the notes below.

Notes:

- (1) Date reference in calculating the premia is 2 November 2017, being the last full trading day of Cogent Holdings on SGX-ST prior to the making of the announcement of the voluntary conditional cash offer for all the issued ordinary shares in the capital of Cogent Holdings. The market premia is calculated based on the offer price of S\$1.02 per share.
- (2) Date reference in calculating the premia is 10 August 2017, being the pre-conditional offer announcement date by GP Batteries. The market premia is calculated based on the offer price of S\$1.30 per share.
- (3) Date reference in calculating the premia is 19 September 2016, being the last undisturbed trading day and last full trading day prior to the announcement on 23 September 2016 regarding a strategic review by Poh Tiong Choon. The market premia is calculated based on the offer price of S\$1.30 per share.
- (4) Date reference in calculating the premia is 30 May 2017, being the last full trading day of BRC Asia on SGX-ST prior to the Holding Announcement Date. The market premia is calculated based on the offer price of S\$0.925 per share.
- (5) Date reference in calculating the premia is 29 May 2017, being the offer announcement date by Changtian Plastic & Chemical. The market premia is calculated based on the offer price of S\$1.30 per share.
- (6) Date reference in calculating the premia is 2 May 2017, being the offer announcement date by Nobel Design. The market premia is calculated based on the offer price of S\$0.51 per share.
- (7) Date reference in calculating the premia is 3 August 2015, being the unaffected date and the last traded date prior to the announcement regarding a strategic review. The market premia is calculated based on the offer price of S\$2.33 per share.
- (8) Date reference in calculating the premia is 20 February 2017, being the last trading date prior to the offer announcement by Global Premium Hotels. The market premia is calculated based on the offer price of S\$0.365 per share.
- (9) Date reference in calculating the premia is 3 February 2017, being the last trading day of the shares of Auric Pacific on the SGX-ST preceding the announcement by Silver Creek Capital in making a voluntary conditional cash offer for all the issued ordinary shares in the capital of Auric Pacific Group Limited. The market premia is calculated based on the offer price of S\$1.65 per share.
- (10) Date reference in calculating the premia is 24 November 2016, being the joint announcement date by Advanced Integrated Manufacturing Corp. The market premia is calculated based on the offer price of S\$0.21 per share.
- (11) Date reference in calculating the premia is 2 November 2016, being the last full trading day of the ARA Asset Management Ltd shares prior to the date on which trading in the shares was halted following a query regarding trading activity received on 3 November 2016 from the SGX-ST. The market premia is calculated based on the Scheme Consideration of S\$1.78 per share.
- (12) Date reference in calculating the premia is 4 October 2016, being the last full day of trading of Super Group Ltd shares prior to the date on which a query regarding trading activity was received on 5 October from the SGX-ST. The market premia is calculated based on the offer price of S\$1.30 per share.
- (13) Date reference in calculating the premia is 6 April 2016, being the last full trading day to the date on which Innovaues Ltd released the announcement in respect of a possible acquisition of Innovaues Ltd by way of a scheme of arrangement. The market premia is calculated based on the offer price of S\$1.01 per share.
- (14) Date reference in calculating the premia is 18 October 2016, being the last trading day of the shares of China Auto Electronics Group Limited on the SGX-ST preceding the announcement by THB Auto Electronics Limited in making a mandatory unconditional cash offer for all the issued ordinary shares in the capital of China Auto Electronics Group Limited. The market premia is calculated based on the offer price of S\$0.16 per share.
- (15) Date reference in calculating the premia is 16 September 2016, being the last full trading day of Aztech Group share on the SGX-ST. The market premia is calculated based on the offer price of S\$0.42 per share.
- (16) Date reference in calculating the premia is 30 August 2016, being the last trading day prior to the pre-Conditional offer by Pure Gold Investment Holdings in respect of the voluntary conditional offer to acquire all the issued and paid-up ordinary shares in the capital of China Minzhong Food Corporation Limited. The market premia is calculated based on the offer price of S\$1.20 per share.
- (17) Date reference in calculating the premia is 4 August 2016, being the last full market day immediately prior to the date of the announcement of the offer from Coronation 3G Pte Ltd in respect of the voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of Sim Lian Group Limited. The market premia is calculated based on the offer price of S\$1.08 per share.
- (18) Date reference in calculating the premia is 15 July 2016, being the last trading day of the shares of SMRT Corporation Limited on the SGX-ST preceding the holding announcement. Belford Investments Private Limited subsequently announced a proposed acquisition of SMRT Corporation Limited by way of a Scheme. The market premia is calculated based on the Scheme Consideration of S\$1.68 per share.
- (19) Date reference in calculating the premia is 1 June 2016, being the last market day of Otto Marine. The market premia is calculated based in the offer price of S\$0.32 per share.
- (20) Date reference in calculating the premia is 16 July 2015, being the last full day of trading in the Neptune Oriental Lines Ltd ("NOL") shares on the SGX-ST immediately preceding the announcement by NOL on 19 July 2015 in relation to media reports regarding a potential sale of the company. On 7 December 2015, the offeror announced, for and on behalf of CMA CGM, that subject to the satisfaction or waiver of the pre-conditions, CMA CGM intends to make an offer for NOL. On 30 May 2016, the offeror announced, for and on behalf of CMA CGM, that all the pre-conditions had been satisfied or waived and accordingly, announced the offeror's firm intention to make the offer for all the shares at the offer price of S\$1.30 per share.
- (21) Date reference in calculating the premia is 9 May 2016, being the last full market day immediately prior to the date of offer announcement by Eu Yan Sang International Ltd in respect of the voluntary conditional cash offer by Righteous Crane Holding Pte Ltd to acquire all the issued and paid-up ordinary shares in the capital of Eu Yan Sang International Ltd. The market premia is calculated based on the offer price of S\$0.60 per share.
- (22) Date reference in calculating the premia is 5 May 2016, being the last trading day of the shares of China Merchant Holdings (Pacific) Limited on the SGX-ST preceding the announcement by Easton Overseas Limited in making a voluntary conditional cash offer for all the issued ordinary shares in the capital of China Merchant Holdings (Pacific) Limited. The market premia is calculated based on the offer price of S\$1.02 per share.

- (23) Date reference in calculating the premia is 20 April 2016, being the last trading day of the shares of Pteris Global Limited on the SGX-ST preceding the announcement by Sharp Vision Holdings Limited in making a voluntary unconditional cash offer for all the issued ordinary shares in the capital of Pteris Global Limited. The market premia is calculated based on the revised offer price of S\$0.85 per share.
- (24) Date reference in calculating the premia is 23 March 2016, being the last trading day of the shares of GMG Global Limited on the SGX-ST preceding the announcement by Halcyon Agri Corporation Limited in making a voluntary conditional general offer for all the issued ordinary shares in the capital of GMG Global Limited. The market premia is calculated based on the implied offer price of S\$0.695 per share, based on exchange ratio of 0.9333 Halcyon Agri Corporation Limited shares for each GMG Global Limited share.
- (25) Date reference in calculating the premia is 18 March 2016, being the last market day on which Select Group shares were transacted prior to the offer announcement. The market premia is calculated based on the offer price of S\$0.525 per share.
- (26) Date reference in calculating the premia is 29 February 2016, being the last trading day of the shares of OSIM International Limited on the SGX-ST preceding the SGX-ST query regarding trading activity to the company. Vision Three Private Limited subsequently announced a voluntary unconditional cash offer for all the issued ordinary shares in the capital of OSIM International Limited. The market premia is calculated based on the revised offer price of S\$1.39 per share.
- (27) Date reference in calculating the premia is 22 February 2016, being the last trading day of the shares of Xinren Aluminium Holdings Limited on the SGX-ST preceding the significant increase in share price and volume. Subsequently, Merit Stand Inc announced a voluntary unconditional cash offer for all the issued ordinary shares in the capital of Xinren Aluminium Holdings Limited. The market premia is calculated based on the offer price of S\$0.60 per share.
- (28) Date reference in calculating the premia is 26 January 2016, being the last full trading day of LanTroVision (S) Ltd on the SGX-ST prior to the date of the joint announcement by LanTroVision (S) Ltd and Mirat Singapore Pte Ltd of the proposed acquisition of LanTroVision (S) Ltd by Mirat Singapore Pte Ltd by way of a scheme of arrangement. The market premia is calculated based on the offer price of S\$3.25 per share.
- (29) Date reference in calculating the premia is 22 December 2015, being the last full day of trading of Interplex Holdings Ltd shares on the SGX-ST prior to the announcement date of the pre-conditional offer by Baring Private Equity Asia. The market premia is calculated based on the offer price of S\$0.82 per share.
- (30) Date reference in calculating the premia is 21 December 2015, being the last trading day of the shares of Li Heng Chemical Fibre Technologies Limited on the SGX-ST preceding the announcement by Precious Joy Management Limited in making a voluntary unconditional general offer for all the issued ordinary shares in the capital of Li Heng Chemical Fibre Technologies Limited. The market premia is calculated based on the offer price of S\$1.00 per share.
- (31) Date reference in calculating the premia is 28 December 2015, being the last market day preceding the announcement date of a possible offer by Ideal Homes International for all shares of HTL International Holdings by way of a scheme of arrangement. The market premia is calculated based on the offer price of S\$1.00 per share.
- (32) Date reference in calculating the premia is 5 November 2015, being the last trading day of the shares of Tiger Airways Holdings Limited on the SGX-ST preceding the announcement by Singapore Airlines Limited in making a voluntary conditional general offer for all the issued ordinary shares in the capital of Tiger Airways Holdings Limited. The market premia is calculated based on the revised offer price of S\$0.45 per share.
- (33) Date reference in calculating the premia is 6 August 2015, being the last trading day of the shares of Lizhong Wheel Group Limited on the SGX-ST preceding the announcement by Berkley International Limited in making a voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of Lizhong Wheel Limited. The market premia is calculated based on the offer price of S\$0.50 per share.
- (34) Date reference in calculating the premia is 20 January 2015, being the last trading day of the shares of Keppel Land Limited on the SGX-ST preceding the announcement by Keppel Corporation Limited in making a voluntary unconditional cash offer for all the issued ordinary shares in the capital of Keppel Land Limited. The market premia is calculated based on the offer price of S\$4.38 per share.
- (35) Time reference in calculating the premia is 13 January 2015, being the last trading day of the shares of Popular Holdings Limited on the SGX-ST preceding the announcement by Grand Apex Holdings Private Limited in making a voluntary conditional cash offer for all the issued ordinary shares in the capital of Popular Holdings Limited. The market premia is calculated based on the offer price of S\$0.32 per share.
- (36) Date reference in calculating the premia is 9 January 2015, being the last trading day of LCD Global Investments shares prior to the release of the announcement by AF Global Pte Ltd of a voluntary conditional cash offer for all the issued and paid-up ordinary shares (other than treasury shares) in the capital of LCD Global Investments Ltd. The market premia is calculated based on the offer price of S\$0.33 per share.
- (37) Date reference in calculating the premia is 30 December 2014, the date on which an announcement that Hap Seng Consolidated Berhad intended to make a voluntary conditional cash partial offer for 51% of the ordinary shares in the capital of Hafary Holdings Limited. The market premia is calculated based on the offer price of S\$0.24 per share.
- (38) Date reference in calculating the premia is 14 May 2014, being the date prior to the first SGX-ST preceding the announcement by JCET-SC (Singapore) Pte Ltd in making a voluntary conditional general offer for all the issued and paid-up ordinary shares in the capital of STATS ChipPAC. The market premia is calculated based on the offer price of S\$0.465 per share.
- (39) Date reference in calculating the premia is 10 December 2014, being the last trading day of the shares of CH Offshore Ltd on the SGX-ST preceding the announcement by Energian Pte Ltd (a wholly owned subsidiary of Falcon Energy Group Limited) of a voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of CH Offshore Ltd. The market premia is calculated based on the revised offer price of S\$0.55 per share.
- (40) Date reference in calculating the premia is 2 July 2014, being the last trading session prior to the date when CITIC Envirotech Ltd announced a holding announcement stating that it had been approached by parties to explore a potential acquisition of shares in the company. The market premia is calculated based on the offer price of S\$1.65 per share.
- (41) Date reference in calculating the premia is 30 September 2014, being the last trading day before the announcement of a possible offer by Universal EC Investments Pte Ltd in making a voluntary unconditional cash offer for all the issued and paid-up ordinary shares in the capital of UE E&C Ltd. The market premia is calculated based on the offer price of S\$1.25 per share.
- (42) Date reference in calculating the premia is 24 September 2014, being the last trading day of the shares of Lee Kim Tah Holdings Limited on the SGX-ST preceding the announcement by Lee Kim Tah Investments Pte Ltd in making a voluntary conditional

cash offer for all the issued shares in the capital of Lee Kim Tah Holdings Limited. The market premia is calculated based on the offer price of S\$1.08 per share.

- (43) Date reference in calculating the premia is 18 March 2014, being the date prior to the day on which Goodpack Limited first released a holding announcement in respect of a possible transaction. IBC Capital Limited subsequently announced a proposed acquisition of Goodpack Limited by way of a scheme of arrangement. The market premia is calculated based on the scheme consideration of S\$2.50 per share.
- (44) Date reference in calculating the premia is 11 April 2014, being the last trading day of the shares of CapitaMalls Asia Limited on the SGX-ST preceding the announcement by sound Investment Holdings Pte Ltd in making a voluntary conditional cash offer for all the issued shares in the capital of CapitaMalls Asia Limited. The market premia is calculated based on the revised offer price of S\$2.35 per share and the respective VWAP reference prices unadjusted for the FY2013 Final Dividend.
- (45) Date reference in calculating the premia is 11 April 2014, being the last trading day of the shares of Hotel Properties Limited on the SGX-ST preceding the announcement by 68 Holdings Pte Ltd in making a mandatory conditional cash offer for all the issued ordinary shares in the capital of Hotel Properties Limited. The market premia is calculated based on the second revised offer price of S\$4.05 per share.
- (46) Date reference in calculating the premia is 12 March 2014, being the last trading day of the shares of Olam International Limited on the SGX-ST preceding the announcement by Breedens Investments Pte Ltd in making a voluntary unconditional cash offer for all the issued shares in the capital of Olam International Limited. The market premia is calculated based on the offer price of S\$2.23 per share.
- (47) Date reference in calculating the premia is 19 February 2014, being the last trading day of the shares of Singapore Land Limited on the SGX-ST preceding the announcement by UIC Enterprise Pte Ltd in making a voluntary unconditional cash offer for all the issued and paid-up ordinary shares in the capital of Singapore Land Limited. The market premia is calculated based on the offer price of S\$9.40 per share.
- (48) Date reference in calculating the premia is 1 October 2013, being the last trading day of SuperBowl Holding shares on the SGX-ST immediately prior to the pre-conditional offer announcement by Hiap Hoe Strategic Pte Ltd to acquire all the issued and paid-up ordinary shares in the capital of SuperBowl Holding. The market premia is calculated based on the offer price of S\$0.75 per share.
- (49) Date reference in calculating the premia is 13 November 2013, being the last full market day prior to the announcement by Asia New Energy Holding Limited of the voluntary conditional cash offer for all the issued and paid-up ordinary shares in the capital of Asia Power Corporation. The market premia is calculated based on the offer price of S\$0.16 per share.
- (50) Date reference in calculating the premia is 5 November 2013, being the last trading day prior to the joint offer announcement by Kruez Holdings Limited and SEA9 Pte Ltd in relation to a proposed acquisition by way of a scheme of arrangement. The market premia is calculated based on the offer price of S\$0.80 per share.
- (51) Date reference in calculating the premia is 17 October 2013, being the last trading day of the shares of People's Food Holdings Ltd on the SGX-ST preceding the announcement by New Oceana Ltd in making a voluntary conditional offer for all the issued and paid-up ordinary shares in the capital of People's Food Holdings Ltd. The market premia is calculated based on the offer price of S\$1.20 per share.
- (52) Date reference in calculating the premia is 23 August 2013, being the last trading day of the shares of China Minzhong Food Corporation Ltd on the SGX-ST preceding the announcement by PT Indofood Sukses Makmur Tbk in making a mandatory unconditional cash offer for all the issued and paid-up ordinary shares in the capital of China Minzhong Food Corporation Ltd. The market premia is calculated based on the offer price of S\$1.12 per share.
- (53) Date reference in calculating the premia is 2 July 2013, being the last market day prior to the joint announcement by Armstrong Industrial Corporation Limited and AGP Asia Holding Pte Ltd of a voluntary delisting proposal to seek the voluntary delisting of Armstrong Industrial Corporation Limited from the offer list of the SGX-ST. The market premia is calculated based on the offer price of S\$0.40 per share.
- (54) Date reference in calculating the premia is 4 July 2013, being the last market day on which the shares of Viz Brand Ltd were traded on the SGX-ST prior to the announcement by Pluto Rising Pte Ltd of a mandatory unconditional cash offer for all the issued and paid-up ordinary shares in the capital of Viz Brand Ltd. The market premia is calculated based on the revised offer price of S\$0.815 per share.
- (55) Date reference in calculating the premia is 19 June 2013, being the last market day on which the shares of Guthrie GST Ltd were traded on the SGX-ST prior to the announcement by United SM Holdings of a voluntary unconditional cash offer for all the issued and paid-up ordinary shares in the capital of Guthrie GST Ltd. The market premia is calculated based on the offer price of S\$0.88 per share.
- (56) Time reference in calculating the premia is 9 May 2013, being the last trading Pacific Hotels Group Ltd on the SGX-ST preceding the announcement of a proposed market premia is calculated based on the exit offer price of S\$2.55 per share.
- (57) Date reference in calculating the premia is 26 November 2012, being the last trading day of the shares of WBL Corporation Ltd on the SGX-ST preceding the announcement by UE Centennial Venture in making a mandatory conditional cash offer for all the issued ordinary stock units in the capital of WBL Corporation Ltd and all the outstanding convertible bonds issued by WBL Corporation Ltd. The market premia is calculated based on the offer price of S\$4.15 per share.
- (58) The respective VWAPs are computed with reference to the relevant periods up to and including the 20 September 2017, being the Last Undisturbed Trading Date.

Based on the above, we note that:

- (i) The premia implied by the Offer Price over Last Undisturbed Trading Date, 1-month, 3-month, 6-month and 12-month VWAPs are within the range of the takeover premia paid in the Precedent Takeovers;

- (ii) The premia implied by the Offer Price over the Last Undisturbed Trading Date, 1-month, 3-month VWAPS are above the mean and median of the takeover premia paid in the Precedent Takeovers; and
- (iii) The premia implied by the Offer Price over the 6-month and 12-month VWAPS are below the mean but are in line with the median of the takeover premia paid in the Precedent Takeovers.

8.12 Other relevant considerations which have a significant bearing on our assessment

8.12.1 Company strategic review process / No alternative offer from third party

Per the Company's announcements on 15 March 2016 and 21 September 2017, following receipt of approaches in connection with a potential transaction in relation to the Shares, the Company had appointed Rippledot as its financial adviser to assist in its review of strategic alternatives in connection with such approaches.

The Company has confirmed to us that no other firm offer was received as a result of the above mentioned review of strategic alternatives.

As at the Latest Practicable Date, other than the Offer, there is no publicly available evidence of an alternative take-over offer for the Shares from any third party. In addition, the Directors have confirmed that as at the Latest Practicable Date, apart from the Offer, they have not received any other competing offer from any other party.

8.12.2 Limitation on subsequent offers by the Offeror

Pursuant to Rule 33.2 of the Code, the Offeror may not (except with the consent of the SIC), within 6 months of the Closing Date, make a second offer to or acquire any Shares from any Shareholder on terms better than those made available under the current Offer.

8.12.3 Regulatory pre-conditions of the Offer have been satisfied

As highlighted in the Offer Announcement, the Offeror has received confirmation that the relevant regulatory pre-conditions (the FIRB Approval Condition, the ACCC Clearance Condition and the MOFCOM Clearance Condition, as outlined in the Pre-Conditional Offer Announcement) have been satisfied. As a result of the above, there is a greater degree of deal certainty for the Offer, due to the limited further conditionality of the Offer (the Acceptance Condition).

8.12.4 Irrevocable undertakings

Section 3 of the Circular sets out certain information relating to the irrevocable undertakings of the Ng Family Undertaking Shareholders and AIF ("**Undertaking Shareholders**"). Shareholders are advised to read such section of the Circular carefully.

As at the Latest Practicable Date, the Offeror has received irrevocable undertakings from the Ng Family Undertaking Shareholders and AIF to accept the Offer in respect of an aggregate of 503,278,416 Shares, representing approximately 66.82% of the total number of issued Shares.

8.12.5 Compulsory acquisition and listing status of the Company

The Offer Document sets out the intentions of the Offeror relating to the listing status of the Company and compulsory acquisition, the full text of which has been extracted from the Offer Document and are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts from the Offer Document shall have the same meanings as those defined in the Offer Document.

“11. LISTING STATUS AND COMPULSORY ACQUISITION

11.1 Listing Status

(a) Suspension of Trading

Under Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that brings the holdings owned by the Offeror and the parties acting in concert with it to above 90% of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the listing of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10% of the total number of issued Shares (excluding treasury shares) are held by at least 500 shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend the trading of the Shares only at the close of the Offer.

(b) Free Float

Shareholders are advised to note that Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of issued Shares (excluding treasury shares) is at all times held by the public. In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10%, the Company must as soon as practicable, announce the fact and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Listing Manual further states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted.

In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724(1), Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror does not intend to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. It is the intention of the Offeror to privatise the Company and to delist the Company from the SGX-ST, should the option be available to the Offeror.”

“11.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror receives valid acceptances pursuant to the Offer of not less than 90% of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding treasury shares), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares from the Dissenting Shareholders on the same terms as those offered under the Offer.”

*“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 Shares, the Dissenting Shareholders 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.**”*

Shareholders should note that as at the Latest Practicable Date, there is no assurance that, (a) the Offeror would be in a position to exercise their rights to compulsory acquisition under Section 215(1) of the Companies Act, (b) the Dissenting Shareholders (as defined in the Offer Document) would be in a position to require the Offeror to acquire their Shares under Section 215(3) of the Companies Act, or (c) there would remain a sufficient public float in the Shares to maintain the listing status of the Shares.

8.12.6 Control of the Company

The Assigning Ng Family Undertaking Shareholders (the “**Existing Major Shareholders**”), who currently control approximately 59.742% of the total number of issued Shares, are proposed to be allotted TH60 Shares pursuant to the Roll-Up Arrangement and would hold approximately 68.2% of the Offeror, regardless of whether any additional shares will be acquired as a result of the Offer. The Existing Major Shareholders have been and will continue to be able to determine, amongst other things, the financial and operating policies, management and strategy of the Company. In this regard, there is no assurance with respect to dividend payments by the Company going forward, regardless of whether the Company will remain listed or be delisted. With this level of control, the Existing Major Shareholders also have the right to pass all ordinary resolutions of the Company on matters in which the Offeror and/or its associates do not have an interest, at general meetings of Shareholders.

8.12.7 SIC Confirmation - No special deal

As disclosed in Section 3 of the Circular, SIC confirmed that the arrangements set out in Sections 5.1 and 8.1 of the Offer Document, parts of which were extracted and referenced in Sections 3.1, 6.1 and 6.2 of the Circular, do not constitute special deals for the purposes of the Code.

8.12.8 Potential Funding Requirements of the Company

The Company operates in a relatively capital intensive industry that relies on the availability of sizeable amounts of debt. As at 31 December 2017, the Company had approximately S\$415.1 million of total indebtedness, S\$246.9 million of which is due to be refinanced or rolled over within the next twelve months from 31 December 2017. The Company may be required to meet its funding needs via new equity fund raisings or debt financing on terms which may restrict it in certain ways, including limiting its ability to pay future dividends or requiring it to procure consents before it can pay dividends to Shareholders.

9. SUMMARY OF KEY FINANCIAL ANALYSES

We set out below a summary of the key financial analyses performed:

Summary of key metrics in financial analysis					Implied by the Offer Price			Details see sub-section
	Min	Median	Mean	Max	Company	Median - mean range	Min – max range	
Historical trading range of the Shares (12-month period up to LUTD) (\$\$)								
Closing price (\$\$)	0.328	0.370	0.382	0.498	0.500	Above	Above	
Broker price targets for the Shares (\$\$)								8.7
6-month period up to the LUTD	← 0.370 →				0.500	Above	Above	
Trading Comparable Companies Analysis (x)								8.8
EV / Sales	0.81x	1.64x	1.40x	1.82x	1.50x	Within	Within	
EV / LTM EBITDA	5.3x	8.1x	7.3x	8.6x	10.9x	Above	Above	
P / NAV	0.30x	0.47x	0.49x	0.65x	0.65x	Above	Above	
Trailing multiples analysis of the Company (12-month period up to LUTD) (x)								8.9
EV / LTM Sales	1.33x	1.42x	1.45x	1.60x	1.50x	Above	Within	
EV / LTM EBITDA	9.4x	11.3x	11.4x	13.7x	10.9x	Below	Within	
Latest P / NAV	0.36x	0.48x	0.46x	0.55x	0.65x	Above	Above	
VWAP premia up to LUTD vs. Precedent Take-overs premia (%)								8.11
Premium to Closing 1-day	(2.3%)	20.0%	25.7%	115.1%	29.9%	Above	Within	
Premium to 1-month VWAP	2.7%	24.5%	31.2%	121.4%	34.0%	Above	Within	
Premium to 3-month VWAP	5.0%	25.3%	32.8%	104.5%	35.5%	Above	Within	
Premium to 6-month VWAP	(6.4%)	27.8%	32.5%	105.3%	27.6%	In line with median	Within	
Premium to 12-month VWAP	(13.5%)	29.6%	32.7%	113.2%	30.9%	Within	Within	

10. RECOMMENDATION

In arriving at our opinion and advice in respect of the Offer, we have taken into account and reviewed the following key considerations, which we consider to be pertinent in our assessment of the Offer:

- (i) Historical financial performance and condition of the Group;
- (ii) The Company's reported commentary on significant trends and competitive conditions of the industry;
- (iii) Historical industry trends and selected financial ratios;
- (iv) Industry relative share price performance;
- (v) Liquidity analysis of the Shares;
- (vi) Historical market price performance and trading activity of the Shares;
- (vii) Broker target prices of the Shares;
- (viii) Valuation multiples of the Comparable Companies;
- (ix) Trailing valuation multiples of the Company;
- (x) Premium / discount implied by Precedent Take-overs; and
- (xi) Other relevant considerations.

Based upon, and having considered, *inter alia*, the factors described above and the information that has been made available to us, along with the industry, market, economic and other relevant considerations as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Offer are fair and reasonable and not prejudicial to the interests of the Shareholders from a financial point of view. Accordingly, we would advise the Independent Directors to recommend that, in the absence of a superior offer, Shareholders should ACCEPT the Offer, unless Shareholders can obtain a price higher than the Offer Price in the open market, taking into account the related expenses such as brokerage and trading costs.

Our opinion and advice is addressed to the Independent Directors for their benefit and for the purposes of their consideration of the Offer. The recommendation to be made by them to the Shareholders in respect of the Offer shall remain the responsibility of the Independent Directors. Whilst a copy of this Letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this Letter (or any part thereof) for any purpose at any time and in any manner without the prior written consent of ANZ in each specific case, except for the purpose of the Offer.

Yours faithfully

For and on behalf of

Australia and New Zealand Banking Group Limited, Singapore Branch



Ben Gledhill
Head of Corporate Advisory, Asia

APPENDIX 2

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
Dr. Leong Horn Kee	82 Ubi Avenue 4, #05-01 Edward Boustead Centre Singapore 408832	Independent Chairman
Mr. Ng San Tiong Roland	82 Ubi Avenue 4, #05-01 Edward Boustead Centre Singapore 408832	Managing Director and Group Chief Executive Officer
Mr. Low Seow Juan	82 Ubi Avenue 4, #05-01 Edward Boustead Centre Singapore 408832	Independent Director
Mr. Mak Lye Mun	82 Ubi Avenue 4, #05-01 Edward Boustead Centre Singapore 408832	Independent Director
Mr. Ong Tiew Siam	82 Ubi Avenue 4, #05-01 Edward Boustead Centre Singapore 408832	Independent Director
Mr. Ng Sang Kuey Michael	82 Ubi Avenue 4, #05-01 Edward Boustead Centre Singapore 408832	Executive Director
Mr. Ng Chen Wei	50 Great Eastern Highway South Guildford WA 6055, Australia	Executive Director

2. HISTORY

The Company was incorporated in the Republic of Singapore on 25 October 1991 and was listed on the Main Board of the SGX-ST as a secondary listing on 1 June 2000, with its secondary listing status being converted to a primary listing from 18 April 2005. Its registered office is at 82 Ubi Avenue 4, #05-01, Edward Boustead Centre, Singapore 408832.

3. PRINCIPAL ACTIVITIES

The principal activity of the Group is in the business of rental and sale of cranes, serving customers in diverse sectors such as construction and engineering, infrastructure, transportation, industrial, oil and gas, petrochemical and power generation, and the Group's core businesses comprise the rental of crawler cranes, tower cranes, general equipment and sale of cranes, spare parts and other heavy equipment.

4. SHARE CAPITAL

- 4.1 Issued Capital.** As at the Latest Practicable Date, the issued and paid-up share capital of the Company comprises S\$371,227,036.71 divided into 757,114,107 Shares (including 3,908,900 Shares held by the Company as treasury shares).

As at the Latest Practicable Date, no new Shares have been issued by the Company since 31 March 2017, such date being the end of the previous financial year. The Shares are ordinary shares carrying equal ranking rights to dividend, voting at general meetings and return of capital. The Company has also not purchased any Securities during the period commencing six months prior to the Holding Announcement Date.

4.2 Rights in Respect of Capital, Dividends and Voting. The rights of Shareholders in respect of capital, dividends and voting in relation to Shares are contained in the Constitution. For ease of reference, selected texts of the Constitution relating to the same have been extracted and reproduced in **Appendix 12** to this Circular.

4.3 Convertible Securities. Save as disclosed below and in this Circular, the Company has not issued any other instruments convertible into, rights to subscribe for and options in respect of the Shares and securities which carry voting rights affecting Shares that are outstanding as at the Latest Practicable Date.

The Company has granted Options exercisable into Shares under the ESOS 2006, which as mentioned below has expired. As at the Latest Practicable Date, there are 923,000 outstanding Options exercisable into 923,000 Shares granted by the Company under the ESOS 2006, details of which are set out below.

Date of Grant	Expiry Date	Number of Options Outstanding	Exercise Price per share
30 September 2009	30 September 2019	923,000	S\$1.08

The Group currently does not have any long term incentive or share schemes in place. The Company's previous share scheme, the ESOS 2006, expired in December 2016.

5. DISCLOSURE OF INTERESTS

5.1 Interests of Company in Offeror Securities. As at the Latest Practicable Date, neither the Company nor its subsidiaries has any direct or indirect interests in the Offeror Securities.

5.2 Dealings in Offeror Securities by Company. As at the Latest Practicable Date, neither the Company nor its subsidiaries has dealt in the Offeror Securities during the period commencing three months prior to the Holding Announcement Date and ending on the Latest Practicable Date.

5.3 Interests of Directors in Offeror Securities. Save as disclosed below and in this Circular, as at the Latest Practicable Date, none of the Directors has any direct or indirect interests in the Offeror Securities.

Name	Interest in Offeror Shares			
	Direct		Deemed	
	No. of Offeror Shares	% ⁽¹⁾	No. of Offeror Shares	% ⁽¹⁾
Ng San Tiong Roland	—	—	2	66.67

Note:

(1) Based on the total number of issued shares of 3 ordinary shares in the capital of the Offeror as at the Latest Practicable Date and rounded to the nearest two decimal places.

5.4 Dealings in Offeror Securities by Directors. Save as disclosed in this Circular, none of the Directors has dealt in the Offeror Securities during the period commencing three months prior to the Holding Announcement Date and ending on the Latest Practicable Date.

5.5 Interests of Directors in Company Securities. Save as disclosed below, as at the Latest Practicable Date, none of the Directors has an interest, direct or indirect, in the Company Securities.

Name	Interest in Shares					
	Direct		Deemed		Total	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Leong Horn Kee ⁽²⁾	720,000	0.10	120,000	n.m. ⁽³⁾	840,000	0.11
Ng San Tiong Roland ⁽⁴⁾	–	–	320,735,406	42.58	320,735,406	42.58
Ng Sang Kuey Michael ⁽⁵⁾	4,278,420	0.57	1,875,600	0.25	6,154,020	0.82
Ong Tiew Siam ⁽⁶⁾	2,799,500	0.37	17,500	n.m. ⁽³⁾	2,817,000	0.37
Low Seow Juan	48,000	n.m. ⁽³⁾	–	–	48,000	n.m. ⁽³⁾
Ng Chen Wei	7,500	n.m. ⁽³⁾	–	–	7,500	n.m. ⁽³⁾

Notes:

- (1) Based on the total number of issued Shares of 753,205,207 Shares (excluding 3,908,900 Shares held by the Company as treasury shares) and rounded to the nearest two decimal places.
- (2) Dr. Leong Horn Kee is deemed interested in the 120,000 Shares held by his spouse.
- (3) n.m. denotes not meaningful.
- (4) Mr. Ng San Tiong Roland is deemed interested in the 11,395,314 Shares held through nominees of which he is the beneficial owner and the 1,253,100 Shares held by his spouse. Pursuant to the terms of a trust deed dated 29 July 1997 (as supplemented by a deed dated 12 October 1998) (the “**Trust Deed**”), Mr. Ng San Tiong Roland and his brothers, Mr. Ng Sun Ho Tony, Mr. Ng San Wee David and Mr. Ng Sun Giam Roger, are joint trustees of the Chwee Cheng Trust which is constituted under the Trust Deed and owns approximately 43.56% of the issued share capital of Chwee Cheng & Sons Pte Ltd. As a joint trustee of Chwee Cheng Trust, Mr. Ng San Tiong Roland is deemed interested in the 308,086,992 Shares held by Chwee Cheng & Sons Pte Ltd and its indirect wholly-owned subsidiary, TH Investments Pte Ltd, representing approximately 40.90% of the total issued Shares as at the Latest Practicable Date.
- (5) Mr. Ng Sang Kuey Michael is deemed interested in the 1,563,600 Shares held through nominees of which he is the beneficial owner and the 312,000 Shares held by his spouse.
- (6) Mr. Ong Tiew Siam is deemed interested in the 17,500 Shares held by his spouse.

5.6 Dealings in Company Securities by Directors. None of the Directors has dealt in the Company Securities during the period commencing three months prior to the Holding Announcement Date and ending on the Latest Practicable Date.

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

5.8 Dealings in Company Securities by IFA. None of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, has dealt for value in the Company Securities during the period commencing three months prior to the Holding Announcement Date and ending on the Latest Practicable Date.

5.9 Intentions of the Directors.

- (i) Dr. Leong Horn Kee owns 720,000 Shares, representing approximately 0.10 per cent. of the total issued Shares, and is deemed interested in the 120,000 Shares held by his spouse, as at the Latest Practicable Date. As at the Latest Practicable Date, Dr. Leong Horn Kee has informed the Company that he intends to accept the Offer in respect of all 720,000 Shares which he owns and his spouse intends to accept the Offer in respect of her 120,000 Shares.
- (ii) Mr. Ng San Tiong Roland has provided an irrevocable undertaking in favour of the Offeror, further details of which are set out in **Section 3** of this Circular, and has informed the Company that he intends to accept the Offer in respect of all 11,395,314 Shares which he owns, representing approximately 1.51 per cent. of the total issued Shares as at the Latest Practicable Date.

Pursuant to the terms of the Trust Deed, Mr. Ng San Tiong Roland and his brothers, Mr. Ng Sun Ho Tony, Mr. Ng San Wee David and Mr. Ng Sun Giam Roger, are joint trustees of the Chwee Cheng Trust constituted under the Trust Deed and which owns approximately 43.56 per cent. of the issued share capital of Chwee Cheng & Sons Pte Ltd. As a joint trustee of the Chwee Cheng Trust, Mr. Ng San Tiong Roland is deemed interested in the 308,086,992 Shares held by Chwee Cheng & Sons Pte Ltd and its indirect wholly-owned subsidiary, TH Investments Pte Ltd, representing approximately 40.90 per cent. of the total issued Shares as at the Latest Practicable Date. Chwee Cheng & Sons Pte Ltd and TH Investments Pte Ltd have each provided an irrevocable undertaking in favour of the Offeror, further details of which are set out in **Section 3** of this Circular.

In addition, Mr. Ng San Tiong Roland is deemed interested in the 1,253,100 Shares held by his spouse, Ms. Jee Ngiap Yang, representing approximately 0.17 per cent. of the total issued Shares as at the Latest Practicable Date. Ms. Jee Ngiap Yang has provided an irrevocable undertaking in favour of the Offeror, further details of which are set out in **Section 3** of this Circular.

- (iii) Mr. Low Seow Juan owns 48,000 Shares as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Low Seow Juan has informed the Company that he intends to accept the Offer in respect of all 48,000 Shares which he owns.
- (iv) Mr. Ong Tiew Siam owns 2,799,500 Shares, representing approximately 0.37 per cent. of the total issued Shares, and is deemed interested in the 17,500 Shares held by his spouse, as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Ong Tiew Siam has informed the Company that he intends to accept the Offer in respect of all 2,799,500 Shares which he owns and his spouse intends to accept the Offer in respect of her 17,500 Shares.
- (v) Mr. Ng Sang Kuey Michael has provided an irrevocable undertaking in favour of the Offeror, further details of which are set out in **Section 3** of this Circular, and has informed the Company that he intends to accept the Offer in respect of all 5,842,020 Shares which he owns, representing approximately 0.78 per cent. of the total issued Shares as at the Latest Practicable Date.

In addition, Mr. Ng Sang Kuey Michael is deemed interested in the 312,000 Shares held by his spouse, Ms. Lee Lian Lian, representing approximately 0.04 per cent. of the total issued Shares as at the Latest Practicable Date. Ms. Lee Lian Lian has provided an irrevocable undertaking in favour of the Offeror, further details of which are set out in **Section 3** of this Circular.

- (vi) Mr. Ng Chen Wei owns 7,500 Shares as at the Latest Practicable Date. As at the Latest Practicable Date, Mr. Ng Chen Wei has informed the Company that he intends to accept the Offer in respect of all 7,500 Shares which he owns.

6. OTHER DISCLOSURES

- 6.1 Directors' Service Contracts.** There are no service contracts between any director or proposed director with the Company or any of its subsidiaries with more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation. In addition, there are no service contracts entered into or amended between any director or proposed director with the Company or any of its subsidiaries during the period commencing six months prior to the Holding Announcement Date and ending on the Latest Practicable Date.
- 6.2 No Payment or Benefit to Directors.** It is not proposed, in connection with the Offer, that any payment or other benefit be made or given to any Director or to any director of any other related corporation of the Company as compensation for loss of office or otherwise in connection with the Offer as at the Latest Practicable Date.
- 6.3 No Agreement Conditional upon Outcome of Offer.** Save as disclosed in this Circular and save for the agreements or arrangements entered into in connection with making or financing the Offer or relating to the Offeror by Mr. Ng San Tiong Roland (who is a director of the Offeror) and Mr. Ng Sang Kuey Michael and Mr. Ng Chen Wei (who are each a concert party of the Offeror), 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 as at the Latest Practicable Date.
- 6.4 Material Contracts entered into by Offeror.** Save as disclosed in this Circular and save for the agreements or arrangements entered into in connection with making or financing the Offer or relating to the Offeror by Mr. Ng San Tiong Roland (who is a director of the Offeror) and Mr. Ng Sang Kuey Michael and Mr. Ng Chen Wei (who are each a concert party of the Offeror) (including, without limitation, deeds with the Ng Family Undertaking Shareholders in relation to the Ng Family Irrevocable Undertakings), there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect, as at the Latest Practicable Date.

7. FINANCIAL INFORMATION ON THE GROUP

Set out below is certain financial information extracted from the annual reports of the Company for FY2015, FY2016, FY2017 and from the 9MFY2018 Results respectively. The financial information for FY2015, FY2016 and FY2017 should be read in conjunction with the audited consolidated financial statements of the Group and the accompanying notes as set out in the annual reports of the Company for FY2015, FY2016 and FY2017 and the financial information for 9MFY2018 should be read in conjunction with the 9MFY2018 Results and the accompanying notes as set out in the financial statements.

	Unaudited 9MFY2018⁽¹⁾ S\$'000	Audited FY2017⁽¹⁾ S\$'000	Audited FY2016⁽¹⁾ S\$'000	Audited FY2015⁽¹⁾ S\$'000
Revenue	365,519	458,293	528,228	608,597
Net profit/(loss) before tax	(7,166)	(30,482)	(37,899)	18,357
Net profit/(loss) after tax	(9,540)	(36,928)	(39,917)	6,797
Non-controlling interests	735	1,081	(605)	1,932
Net earnings per share (cents)	(1.36)	(5.91)	(6.22)	0.77

Note:

(1) The Company has not reported any exceptional items for FY2015, FY2016, FY2017 and 9MFY2018.

The following is a summary of the dividend per Share declared in respect of each of FY2015, FY2016 and FY2017. This information was extracted from the annual reports of the Company for FY2015, FY2016 and FY2017.

	Interim Dividend cents per Share	Final Dividend cents per Share	Total Dividend cents per Share
FY2017	–	–	–
FY2016	–	–	–
FY2015	0.5	1.0	1.5

No dividend was recommended in respect of the Shares for 9MFY2018, as set out in the 9MFY2018 Results.

The following is a summary of the dividend per convertible redeemable preference share in the capital of the Company (“**CRPS**”) declared in respect of FY2015. This information was extracted from the annual report of the Company for FY2015.

	Interim Dividend cents per CRPS	Final Dividend cents per CRPS	Total Dividend cents per CRPS
FY2017	N/A	N/A	N/A
FY2016	N/A	N/A	N/A
FY2015	0.5	N/A	0.5

The Company fully redeemed the outstanding CRPS pursuant to the terms and conditions of the CRPS in March 2015, as set out in the annual report of the Company for FY2015.

A copy of the audited consolidated statements of financial position of the Group as at 31 March 2016 and 31 March 2017, which is extracted from the annual report of the Company for FY2017, is set out in **Appendix 4** to this Circular and the unaudited consolidated statement of financial position of the Group as at 31 December 2017 is included in the 9MFY2018 Results set out in **Appendix 8** to this Circular. These consolidated statements of financial position were not specifically prepared for inclusion in this Circular. The audited consolidated statements of financial position of the Group as at 31 March 2016 and 31 March 2017 should be read in conjunction with the audited consolidated financial statements of the Group and the accompanying notes as set out in the annual report of the Company for FY2017 and the unaudited consolidated statement of financial position of the Group as at 31 December 2017 should be read in conjunction with the 9MFY2018 Results and the accompanying notes as set out in the financial statements.

8. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as disclosed in the 9MFY2018 Results and any other information relating to the Company and the Group which is publicly available (including without limitation, the annual reports of, and the circulars issued by, the Company and the announcements released by the Group on the SGXNET), there have been no material changes to the financial position of the Group since 31 March 2017, being the date of the last audited accounts of the Group laid before the Shareholders in general meeting.

9. MATERIAL CHANGES IN INFORMATION

Save as disclosed in this Circular and save for the information relating to the Company and the Group which is publicly available (including without limitation, the annual reports of, and the circulars issued by, the Company and the announcements released by the Group on the SGXNET), there have been no material changes in any information previously announced by or on behalf of the Company during the period commencing from the Holding Announcement Date and ending on the Latest Practicable Date.

10. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

10.1 The significant accounting policies of the Group which are disclosed in the audited consolidated financial statements of the Group for FY2017 are reproduced in **Appendix 11** to this Circular.

10.2 In the 9MFY2018, the Group adopted the applicable new and revised Singapore Financial Reporting Standards (“**FRSs**”) and related Interpretations (“**INT FRSs**”) that are relevant to its operations and effective for annual periods beginning on 1 April 2017. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group’s accounting policies.

10.3 Save as aforesaid and save for the information relating to the Company and the Group which is publicly available (including without limitation, the annual reports of, and the circulars issued by, the Company and the announcements released by the Group on the SGXNET), as at the Latest Practicable Date, there is no change in the accounting policies of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

11. MATERIAL CONTRACTS

Save as disclosed in this Circular and save for the information relating to the Company and the Group which is publicly available (including without limitation, the annual reports of, and the circulars issued by, the Company and the announcements released by the Group on the SGXNET), as at the Latest Practicable Date, neither the Company nor any of its subsidiaries have entered into any material contracts with interested persons (other than those entered into in the ordinary course of business) during the period commencing three years before the Holding Announcement Date and ending on the Latest Practicable Date.

12. MATERIAL LITIGATION

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

13. GENERAL

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

13.2 Transfer Restrictions. There is no restriction in the Constitution of the Company on the right to transfer any Shares, which has the effect of requiring holders of the Shares, before transferring them, to offer them for purchase to members of the Company or to any other person.

13.3 Consent of the Auditor. The Auditor has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the Auditor Profit Guidance Report set out in **Appendix 6** to this Circular, the Auditor 9MFY2018 Results Report set out in **Appendix 9** to this Circular, and all references thereto, in the form and context in which they appear in this Circular.

13.4 Consent of the IFA. The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Letter set out in **Appendix 1** to this Circular, the IFA Profit Guidance Report set out in **Appendix 7** to this Circular, the IFA 9MFY2018 Results Report set out in **Appendix 10** to this Circular, and all references thereto, in the form and context in which they appear in this Circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 82 Ubi Avenue 4, #05-01 Edward Boustead Centre, Singapore 408832, during normal business hours for the period during which the Offer remains open for acceptance:

- (i) the Constitution of the Company;
- (ii) the rules of the ESOS 2006;
- (iii) the annual reports of the Company for FY2015, FY2016 and FY2017, which include the audited consolidated financial statements of the Group for FY2015, FY2016 and FY2017;
- (iv) the Profit Guidance Statement, the Auditor Profit Guidance Report and the IFA Profit Guidance Report, as set out in **Appendices 5, 6 and 7** to this Circular respectively;
- (v) the 9MFY2018 Results, the Auditor 9MFY2018 Results Report and the IFA 9MFY2018 Results Report, as set out in **Appendices 8, 9 and 10** to this Circular respectively;
- (vi) the IFA Letter, as set out in **Appendix 1** to this Circular; and
- (vii) the letters of consent referred to in **paragraphs 13.3 and 13.4 of this Appendix 2** to this Circular above.

APPENDIX 3

INFORMATION ON THE OFFEROR AND TH60

1. THE OFFEROR AND TH60

The following information on the Offeror and TH60 has been extracted from the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

1.1 Information on the Offeror

“APPENDIX I

ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS

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

Name	Address	Description
Mr. Ng San Tiong Roland	69 Greenfield Drive Frankel Estate Singapore 457957	Director
Mr. Tay Ruixian, Jeremiah	7 Tanjong Rhu Road #16-02 The Waterside Singapore 436887	Director
Ms. Ng Pei Yan, Novia	59 Compassvale Bow #06-17 The Quartz Singapore 544988	Alternate director to Mr. Tay Ruixian, Jeremiah

2. PRINCIPAL ACTIVITY AND SHARE CAPITAL

The Offeror is a company incorporated in the Republic of Singapore on 11 December 2017. The principal activity of the Offeror is that of an investment holding company. The issued share capital of the Offeror is S\$1.50 comprising three (3) issued ordinary shares. The Offeror has not carried on any business since its incorporation, except to enter into financing arrangements for the purpose of the Offer, certain transactional agreements in connection with the Offer, and the deeds with the Ng Family Undertaking Shareholders and AIF in relation to the Ng Family Irrevocable Undertakings and the AIF Irrevocable Undertaking.

3. FINANCIAL INFORMATION

Financial Statements

As the Offeror was incorporated on 11 December 2017, no audited financial statements of the Offeror has been prepared since the date of its incorporation.

Accounting Policies

As no audited financial statements of the Offeror has been prepared as at the Latest Practicable Date, there are no significant accounting policies to be noted.

4. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save (a) as disclosed in this Offer Document; (b) as a result of the making and financing of the Offer; and (c) for publicly available information on the Offeror, there has been no known material change in the financial position of the Offeror since the date of its incorporation.

5. REGISTERED OFFICE

The registered office of the Offeror is at 80 Raffles Place, #32-01, UOB Plaza, Singapore 048624.”

1.2 Information on TH60

“APPENDIX IV

TH60 SHAREHOLDING STRUCTURE

As at the Latest Practicable Date

TH60 has an issued and paid-up share capital of S\$1.00 comprising one (1) ordinary share, with its sole shareholder being Mr. Ng San Tiong Roland.

Following the Roll-Up Arrangement and the Assignment

The TH60 shareholding structure will be:

Roll-Up Group	No. of shares	% of shares⁽¹⁾
Chwee Cheng & Sons Pte Ltd	314,225,622	69.83%
Ng Chwee Cheng	102,983,094	22.89%
Ng San Tiong Roland	12,648,414 ⁽²⁾	2.81% ⁽²⁾
Ng Sang Kuey Michael	6,154,020	1.37%
Ng San Wee David	3,423,500	0.76%
Ng Sun Giam Roger	951,000	0.21%
Ng Sun Hoe Patrick	3,201,566	0.71%
Ng San Guan William	1,190,000	0.26%
Ng Sun Eng Sunny	3,338,300	0.74%
Ng Sun Oh Lewis	1,862,900	0.41%
Roll-Up Group Total	449,978,416	100.00%⁽³⁾

Notes:

(1) Rounded to the nearest two (2) decimal places.

(2) This figure takes into consideration the one (1) TH60 Share issued to Mr. Ng San Tiong Roland when TH60 was incorporated.

(3) Does not add up to 100% due to rounding.”

2. HOLDINGS AND DEALINGS IN THE SHARES

The following information on the holdings of, and dealings in, the Shares by the Offeror and certain parties acting in concert with it is extracted from the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

“APPENDIX V

ADDITIONAL GENERAL INFORMATION

1. DISCLOSURE OF INTERESTS

1.1 As at the Latest Practicable Date, save as disclosed below and based on the latest information available to the Offeror, none of the Offeror or any party acting in concert with it owns, controls or has agreed to acquire any Company Securities.

(a) Shareholdings of the Offeror and the directors of the Offeror

NAME	Direct interest	% of Shares⁽¹⁾	Deemed interest	% of Shares⁽¹⁾
The Offeror	—	—	—	—
Ng San Tiong Roland ⁽²⁾	—	—	320,735,406	42.583%
Tay Ruixian, Jeremiah	—	—	—	—
Ng Pei Yan, Novia (alternate director to Tay Ruixian, Jeremiah)	—	—	—	—

Notes:

(1) Based on the total number of issued Shares of 753,205,207 Shares (excluding 3,908,900 Shares held by the Company as treasury shares) and rounded to the nearest three (3) decimal places.

(2) Mr. Ng San Tiong Roland owns 11,395,314 Shares (held through Bank of Singapore Limited and CGS-CIMB Securities (Singapore) Pte. Ltd.). In addition, Mr. Ng San Tiong Roland is deemed interested in the 1,253,100 Shares held by his spouse.

Pursuant to the terms of a trust deed dated 29 July 1997 (as supplemented by a deed dated 12 October 1998) (the “**Trust Deed**”), Mr. Ng San Tiong Roland and his brothers, Mr. Ng Sun Ho Tony, Mr. Ng San Wee David and Mr. Ng Sun Giam Roger, are joint trustees of the Chwee Cheng Trust constituted under the Trust Deed and which owns approximately 43.56% of the issued share capital of Chwee Cheng & Sons Pte Ltd. As a joint trustee of the Chwee Cheng Trust, Mr. Ng San Tiong Roland is deemed interested in the 308,086,992 Shares held by Chwee Cheng & Sons Pte Ltd and its indirect wholly-owned subsidiary, TH Investments Pte Ltd.

(b) Shareholdings of the Ng Family Undertaking Shareholders and Roll-Up Shares

Ng Family Undertaking Shareholder	Roll-Up Shares		Encumbered Shares No. of Shares⁽³⁾
	No. of Shares	% of Shares⁽¹⁾	
Chwee Cheng & Sons Pte Ltd's Shareholdings			
– Chwee Cheng & Sons Pte Ltd ⁽⁴⁾	304,213,392	40.389%	–
– TH Investments Pte Ltd (a wholly owned subsidiary of Tat Hong Investments Pte Ltd which is in turn a wholly owned subsidiary of Chwee Cheng & Sons Pte Ltd) ⁽⁵⁾	3,873,600	0.514%	–
Ng Chwee Cheng's Shareholdings			
– Ng Chwee Cheng ⁽⁶⁾	82,956,054	11.014%	–
– Ng Chwee Cheng Pte. Ltd. (where Ng Chwee Cheng is the sole shareholder)	102,000	0.014%	–
– Ng Chwee Cheng Corporation (a revocable trust over which Ng Chwee Cheng has control) ⁽⁷⁾	19,925,040	2.645%	–
Ng San Tiong Roland and Spouse's Shareholdings			
– Ng San Tiong Roland ⁽²⁾⁽⁸⁾	11,395,314	1.513%	10,795,314
– Jee Ngiap Yang ⁽⁹⁾	1,253,100	0.166%	–
Ng Sun Ho Tony and Spouse's Shareholdings			
– Ng Sun Ho Tony ⁽²⁾⁽¹⁰⁾	6,006,130	0.797%	–
– Boon Suan Wee	132,500	0.018%	–
Ng Sang Kuey Michael and Spouse's Shareholdings			
– Ng Sang Kuey Michael ⁽¹¹⁾	5,842,020	0.776%	–
– Lee Lian Lian	312,000	0.041%	–
Ng San Wee David and Spouse's Shareholdings			
– Ng San Wee David ⁽²⁾⁽¹²⁾	3,374,100	0.448%	–
– Nah Noh Yim	49,400	0.007%	–
Ng Sun Giam Roger's Shareholdings			
– Ng Sun Giam Roger ⁽²⁾	951,000	0.126%	–
Ng Sun Hoe Patrick and Spouse's Shareholdings			
– Ng Sun Hoe Patrick	2,332,065	0.310%	–
– Tan Lay Eng	869,501	0.115%	–
Ng San Guan William and Spouse's Shareholdings			
– Ng San Guan William ⁽¹³⁾	1,010,000	0.134%	–
– Wong Bee Ling	180,000	0.024%	–
Ng Sun Eng Sunny's Shareholdings			
– Ng Sun Eng Sunny	3,338,300	0.443%	–
Ng Sun Oh Lewis and Spouse's Shareholdings			
– Ng Sun Oh Lewis ⁽¹⁴⁾	1,692,900	0.225%	–
– Leong Yee May	170,000	0.023%	–

Ng Family Undertaking Shareholder	Roll-Up Shares		Encumbered Shares
	No. of Shares	% of Shares⁽¹⁾	No. of Shares⁽³⁾
TOTAL	449,978,416	59.742%	10,795,314

Notes:

- (1) Based on the total number of issued Shares of 753,205,207 Shares (excluding 3,908,900 Shares held by the Company as treasury shares) and rounded to the nearest three (3) decimal places.
- (2) Excluding deemed interest in Shares held by Chwee Cheng & Sons Pte Ltd.
- (3) As at the Latest Practicable Date, Shares held by the Ng Family Undertaking Shareholders which security interests have been granted over. All Encumbrances over Shares are to be fully discharged on or prior to the date on which such Shares are to be tendered in acceptance of the Offer pursuant to the Ng Family Irrevocable Undertakings, such that the Shares tendered by such Ng Family Undertaking Shareholders in acceptance of the Offer will be free from all Encumbrances.
- (4) The 304,213,392 Shares owned by Chwee Cheng & Sons Pte Ltd include 97,602,000 Shares held through Phillip Securities Pte Ltd and Bank of Singapore Limited.
- (5) The 3,873,600 Shares owned by TH Investments Pte Ltd comprise 3,873,600 Shares held through Maybank Kim Eng Securities Pte. Ltd..
- (6) The 82,956,054 Shares owned by Mr. Ng Chwee Cheng include 82,824,054 Shares held through Phillip Securities Pte Ltd and Bank of Singapore Limited.
- (7) The 19,925,040 Shares owned by Ng Chwee Cheng Corporation comprise 19,925,040 Shares held through Bank of Singapore Limited and OCBC Securities Private Limited.
- (8) The 11,395,314 Shares owned by Mr. Ng San Tiong Roland comprise 11,395,314 Shares held through Bank of Singapore Limited and CGS-CIMB Securities (Singapore) Pte. Ltd..
- (9) The 1,253,100 Shares owned by Ms. Jee Ngiap Yang include 843,000 Shares held through Maybank Kim Eng Securities Pte. Ltd..
- (10) The 6,006,130 Shares owned by Mr. Ng Sun Ho Tony include 5,000,000 Shares held through Phillip Securities Pte Ltd and Bank of Singapore Limited.
- (11) The 5,842,020 Shares owned by Mr. Ng Sang Kuey Michael include 1,563,600 Shares held through Bank of Singapore Limited and OCBC Securities Private Limited.
- (12) The 3,374,100 Shares owned by Mr. Ng San Wee David comprise 3,374,100 Shares held through Bank Julius Baer & Co. Ltd..
- (13) The 1,010,000 Shares owned by Mr. Ng San Guan William include 210,000 Shares held through Bank of Singapore Limited.
- (14) The 1,692,900 Shares owned by Mr. Ng Sun Oh Lewis excludes 50,500 Shares which are not subject to an Ng Family Irrevocable Undertaking or the Assignment. The aggregate 1,743,400 Shares owned by Mr. Ng Sun Oh Lewis include 774,800 Shares held through CGS-CIMB Securities (Singapore) Pte. Ltd. and DBS Nominees (Private) Limited.

(c) Shareholdings of other persons who are deemed to be parties acting in concert with the Offeror

Name (in alphabetical order)	Shares	
	No. of Shares	% of Shares⁽¹⁾
Cheng Chee Keen Nicholas ⁽²⁾	23,000	0.003%
Chia Choo Ping ⁽³⁾	20,000	0.003%
Chia Ngang Kung John ⁽⁴⁾	20,000	0.003%
Chong Jong An ⁽⁵⁾	485,000	0.064%
Chu Kok Hong @ Choo Kok Hong ⁽³⁾	60,000	0.008%
Hah Hen Khean ⁽⁵⁾	26,000	0.003%
Kaan Chi Loong ⁽⁵⁾	113,000	0.015%

Name (in alphabetical order)	Shares	
	No. of Shares	% of Shares⁽¹⁾
Koh Siew Lian ⁽⁶⁾	60,000	0.008%
Koo Tee Tei @ Koh Choon Pheng ⁽⁷⁾	150,000	0.020%
Lai Mun Fook Steve ⁽⁶⁾	3,600	n.m. ⁽⁸⁾
Lee Quang Loong ⁽⁵⁾	412,000	0.055%
Lim Leong Koo ⁽⁵⁾	1,000	n.m. ⁽⁸⁾
Lim Phay Tiang ⁽⁹⁾	6,000	0.001%
Lo Pang Foo Steven ⁽¹⁰⁾	348,000	0.046%
Loh Siew Khoon ⁽¹¹⁾	71,600	0.010%
Low Seow Juan ⁽¹²⁾	48,000	0.006%
Ng Chen Kai ⁽¹³⁾	12,000	0.002%
Ng Chen Wei ⁽¹⁴⁾	7,500	0.001%
Ng Guan Koon Leonard ⁽¹⁵⁾	240,000	0.032%
Ng Lay Ngo ⁽¹⁶⁾	49,200	0.007%
Ng Lay Pheng ⁽¹⁶⁾	31,000	0.004%
Ng Liay Hua ⁽¹⁶⁾	423,600	0.056%
Ng Noi Hinoy ⁽¹⁷⁾	864,000	0.115%
Ng Tong Sim ⁽¹⁷⁾	775,000	0.103%
Ng Yew Boon ⁽¹⁷⁾	1,665,600	0.221%
Pua Yeow Chuah ⁽¹⁸⁾	15,000	0.002%
See Yen Tarn ⁽⁵⁾	787,500	0.105%
Shen Tshi Hwa ⁽³⁾	25,000	0.003%
Teo Beng Teck ⁽⁵⁾	242,000	0.032%
Toh Siew ⁽¹¹⁾	25,000	0.003%

Notes:

- (1) Based on the total number of issued Shares of 753,205,207 Shares (excluding 3,908,900 Shares held by the Company as treasury shares) and rounded to the nearest three (3) decimal places.
- (2) Mr. Cheng Chee Keen Nicholas is a director of Edmund Tie & Company Sdn Bhd, a subsidiary of Edmund Tie & Company (SEA) Pte. Ltd., which is in turn an associated company of Chwee Cheng & Sons Pte Ltd ("CCSPL") and an associated company of a company controlled by Mr. Ng San Tiong Roland and his immediate family. CCSPL and Mr. Ng San Tiong Roland are Ng Family Undertaking Shareholders. The 23,000 Shares owned by Mr. Cheng Chee Keen Nicholas include 12,000 Shares held through DBS Nominees (Private) Limited.
- (3) Mr. Chu Kok Hong @ Choo Kok Hong and Mr. Shen Tshi Hwa are directors of BP-Ubi Development Pte. Ltd. ("BPUD"), a jointly-controlled entity of CCSPL, which is a Ng Family Undertaking Shareholder. Ms. Chia Choo Ping is the spouse of Mr. Chu Kok Hong @ Choo Kok Hong.

The 25,000 Shares owned by Mr. Shen Tshi Hwa include 19,000 Shares held through OCBC Nominees Singapore Private Limited.
- (4) Mr. Chia Ngang Kung John is a director of Inprint-Systems Asia Pacific Pte. Ltd., a subsidiary of CCSPL, which is a Ng Family Undertaking Shareholder.
- (5) Mr. See Yen Tarn and Mr. Teo Beng Teck are directors of CSC Holdings Limited ("CSC"), which is in turn an associated company of CCSPL, which is a Ng Family Undertaking Shareholder. Mr. Chong Jong An, Mr. Hah Hen Khean, Mr. Kaan Chi Loong, Mr. Lee Quang Loong and Mr. Lim Leong Koo are directors of certain subsidiaries of CSC.

The 787,500 Shares owned by Mr. See Yen Tarn comprise 787,500 Shares held through OCBC Nominees Singapore Private Limited.

The 485,000 Shares owned by Mr. Chong Jong An include 207,000 Shares held through United Overseas Bank Nominees (Private) Limited and Maybank Kim Eng Securities Pte. Ltd..

The 412,000 Shares owned by Mr. Lee Quang Loong include 82,000 Shares held through United Overseas Bank Nominees (Private) Limited.

- (6) Mr. Lai Mun Fook Steve is a director of Intraco Limited, which is in turn an associated company of CCSPL, which is a Ng Family Undertaking Shareholder. Ms. Koh Siew Lian is the spouse of Mr. Lai Mun Fook Steve.
- (7) Mr. Koo Tee Tei @ Koh Choon Pheng is the spouse of Ms. Ng Poo Yong and brother-in-law of Mr. Ng Chwee Cheng, who is in turn a Ng Family Undertaking Shareholder. Ms. Ng Poo Yong is Mr. Ng Chwee Cheng's sister. The 150,000 Shares owned by Mr. Koo Tee Tei @ Koh Choon Pheng comprise 150,000 Shares held through OCBC Securities Private Limited.
- (8) n.m. denotes not meaningful.
- (9) Ms. Lim Phay Tiang is a director of certain subsidiaries of OCBC Bank (being the financial adviser to the Offeror).
- (10) Mr. Lo Pang Foo Steven is the legal adviser of TH60. The 348,000 Shares owned by Mr. Lo Pang Foo Steven include 150,000 Shares held through Raffles Nominees (Pte.) Limited.
- (11) Mr. Loh Siew Khoon is a director of CMC Construction Pte. Ltd., a subsidiary of CCSPL, which is a Ng Family Undertaking Shareholder and Ms. Toh Siew is the spouse of Mr. Loh Siew Khoon.
- (12) Mr. Low Seow Juan is the spouse of Ms. Wong Sing Ping, who is a director and shareholder of Fortreau Investments Pte Ltd and Regality Holdings Pte Ltd, both of which are associated companies of CCSPL, which is in turn a Ng Family Undertaking Shareholder.
- (13) Mr. Ng Chen Kai is the son of Mr. Ng San Wee David, who is a Ng Family Undertaking Shareholder. The 12,000 Shares owned by Mr. Ng Chen Kai comprise 12,000 Shares held through Standard Chartered Bank (Singapore) Limited.
- (14) Mr. Ng Chen Wei is the son of Mr. Ng San Tiong Roland, who is a Ng Family Undertaking Shareholder.
- (15) Mr. Ng Guan Koon Leonard is (a) a director of Fersina (Singapore) Pte. Ltd., a subsidiary of CCSPL, which is a Ng Family Undertaking Shareholder; and (b) the nephew of Mr. Ng Chwee Cheng, who is a Ng Family Undertaking Shareholder.
- (16) Ms. Ng Lay Ngo, Ms. Ng Lay Pheng and Ms. Ng Liay Hua are the daughters of Mr. Ng Chwee Cheng, who is a Ng Family Undertaking Shareholder.
- (17) Ms. Ng Noi Hinoy is the sister of Mr. Ng Chwee Cheng, who is a Ng Family Undertaking Shareholder. Mr. Ng Tong Sim and Mr. Ng Yew Boon are the brothers of Mr. Ng Chwee Cheng.
- (18) Mr. Pua Yeow Chuah is the spouse of Ms. Ng Lay Pheng and the son-in-law of Mr. Ng Chwee Cheng, who is a Ng Family Undertaking Shareholder.

1.2 As at the Latest Practicable Date, save as disclosed below and based on the latest information available to the Offeror, none of the Offeror or any party acting in concert with it has dealt for value in the Company Securities during the three (3)-month period immediately preceding the Holding Announcement Date and ending on the Latest Practicable Date.

Name	Date	No. of Shares acquired	No. of Shares sold	Transaction price per Share (S\$)
Loh Siew Khoon	22 September 2017	–	20,000	0.455
Toh Siew	24 September 2017	–	30,000	0.460
Koo Tee Tei @ Koh Choon Pheng	26 September 2017	20,000	–	0.455
Loh Siew Khoon	6 October 2017	–	10,000	0.510
See Yen Tarn	2 November 2017	1,600	–	0.460
Teo Beng Teck	21 November 2017	25,000	–	0.445
Lee Quang Loong	28 November 2017	28,000	–	0.440

<i>Name</i>	<i>Date</i>	<i>No. of Shares acquired</i>	<i>No. of Shares sold</i>	<i>Transaction price per Share (S\$)</i>
<i>See Yen Tarn</i>	<i>22 December 2017</i>	<i>100</i>	<i>–</i>	<i>0.450</i>
<i>Chong Jong An</i>	<i>27 December 2017</i>	<i>–</i>	<i>48,000</i>	<i>0.455</i>
<i>See Yen Tarn</i>	<i>4 January 2018</i>	<i>70,000</i>	<i>–</i>	<i>Range of 0.45 to 0.46</i>
<i>See Yen Tarn</i>	<i>10 January 2018</i>	<i>70,000</i>	<i>–</i>	<i>0.450</i>
<i>See Yen Tarn</i>	<i>12 January 2018</i>	<i>70,000</i>	<i>–</i>	<i>0.490”</i>

3. ADDITIONAL INFORMATION

The following additional information on the Offeror has been extracted from the Offer Document. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

- “1.3 As at the Latest Practicable Date, save for the Ng Family Irrevocable Undertakings and the AIF Irrevocable Undertaking, no person has given any irrevocable commitment or undertaking to the Offeror or any party acting in concert with it, to accept or reject the Offer.*
- 1.4 As at the Latest Practicable Date, save for the Ng Family Irrevocable Undertakings and the AIF Irrevocable Undertaking and save as disclosed in this **Appendix V**, neither the Offeror nor any party acting in concert with it has entered into any arrangement with any person of the kind referred to in Note 7 to Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities which may be an inducement to deal or refrain from dealing in the Company Securities.*
- 1.5 As at the Latest Practicable Date, save for the Ng Family Irrevocable Undertakings and the AIF Irrevocable Undertaking and save as disclosed in this **Appendix V**, there is no agreement, arrangement or understanding between (a) the Offeror, or any party acting in concert with it; and (b) any of the present or recent directors of the Company, or any of the present or recent Shareholders or any other person that is conditional upon, or has any connection with or dependence upon, the Offer.*
- 1.6 As at the Latest Practicable Date, save as disclosed in this **Appendix V**, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired by the Offeror pursuant to the Offer will or may be transferred to any other person.*
- 1.7 As at the Latest Practicable Date, there is no agreement, arrangement or understanding for payment or other benefit to be made or given to any director of the Company or to any director of any 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.*
- 1.8 As at the Latest Practicable Date, save as disclosed below and in this **Appendix V**, none of the Offeror or any party acting in concert with it has (a) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise; (b) borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold); or (c) lent any Company Securities to another person.*

In connection with the Offer, the Offeror has obtained financing in the form of transferable facilities from OCBC Bank and Standard Chartered Bank and in this regard, the Offeror has provided and will be providing certain securities in favour of such financial institutions, which include, inter alia, a charge in respect of all the Shares to be acquired by the Offeror and all related rights of such Shares.

In addition, a charge has also been granted by each of SCPE and TH60 in respect of all their Offeror Shares and the related rights of those shares.”

APPENDIX 4

AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2016 AND 31 MARCH 2017

The audited consolidated statements of financial position of the Group as at 31 March 2016 and 31 March 2017 which are set out below have been reproduced from the annual report of the Company for FY2017, and were not specifically prepared for inclusion in this Circular.

	Group		Company	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Assets				
Property, plant and equipment	738,009	802,445	1,057	1,349
Subsidiaries	–	–	372,435	368,980
Associates	40,791	44,075	12,466	12,647
Joint ventures	3,806	3,882	4,716	4,439
Other financial assets	1,033	1,128	949	1,044
Deferred tax assets	10,757	8,830	–	–
Intangible assets	9,243	4,491	–	–
Trade and other receivables	62	797	–	–
Non-current assets	803,701	865,648	391,623	388,459
Assets held for sale	4,065	5,660	–	–
Inventories	145,013	146,981	–	–
Trade and other receivables	193,065	222,099	225,322	229,581
Cash and cash equivalents	114,284	130,702	26,065	5,007
Current assets	456,427	505,442	251,387	234,588
Total assets	1,260,128	1,371,090	643,010	623,047
Equity				
Share capital	366,879	325,849	366,879	325,849
Reserves	220,484	259,852	36,368	42,152
Equity attributable to owners of the Company	587,363	585,701	403,247	368,001
Non-controlling interests	34,628	43,982	–	–
Total equity	621,991	629,683	403,247	368,001
Liabilities				
Trade and other payables	2,590	2,340	121	–
Financial liabilities	308,118	300,089	185,619	170,051
Deferred tax liabilities	28,326	22,994	–	–
Non-current liabilities	339,034	325,423	185,740	170,051
Trade and other payables	157,159	168,298	37,482	65,287
Financial liabilities	141,779	245,061	16,519	19,688
Current tax payable	165	2,625	22	20
Current liabilities	299,103	415,984	54,023	84,995
Total liabilities	638,137	741,407	239,763	255,046
Total equity and liabilities	1,260,128	1,371,090	643,010	623,047

APPENDIX 5

PROFIT GUIDANCE STATEMENT

1. PROFIT GUIDANCE ANNOUNCEMENT

Profit Guidance Statement. On 7 February 2018, the Company announced (such announcement, the “**Profit Guidance Announcement**”) a profit guidance relating to the Group’s financial performance for the third quarter ended 31 December 2017 (the “**3QFY2018**”).

The following statement set out in italics below (the “**Profit Guidance Statement**”) was made by the Company in the Profit Guidance Announcement in respect of the Group’s financial performance for 3QFY2018:

“Based on the preliminary review of its consolidated results for 3QFY2018, the Group is expected to report a weak performance for 3QFY2018 primarily due to poor performance from its equipment distribution business in the ASEAN region and unrealised foreign exchange losses in 3QFY2018.”

The statement set out above in this **Appendix 5** was made to provide guidance on the Group’s financial performance for 3QFY2018 prior to the release of the 9MFY2018 Results on 13 February 2018 and was not made in connection with the Offer. The Directors have not issued any profit forecast for the Company or the Group in connection with the Offer. The Profit Guidance Statement is not and should not be regarded as a forecast of the Group’s financial performance in respect of the period after 9MFY2018. The Group’s financial performance for 3QFY2018, to which the Profit Guidance Statement relates, is reproduced in **Appendix 8** to this Circular.

2. ASSUMPTIONS

The Profit Guidance Statement, for which the Directors are solely responsible, was arrived at on bases consistent with the accounting policies and methods of computation as set out in **Appendix 11** adopted by the Group for the preparation of the audited consolidated financial statements of the Group for FY2017 and has been made based on the following assumptions and/or information available as at 7 February 2018, being the date on which the Profit Guidance Statement was made:

- (i) there were no contingent liabilities nor non-compliances of laws and regulations which would have a material impact on the Group’s financial performance for 3QFY2018;
- (ii) there were no impairment losses which would have a material impact on the Group’s financial performance for 3QFY2018; and
- (iii) there was no matter which would cause a significant concern over the Group’s ability to continue as a going concern.

Shareholders should note that the bases and assumptions upon which the Profit Guidance Statement was based, were arrived at based on information available to the Company as at 7 February 2018 (being the date of the Profit Guidance Announcement). Each of the Auditor and the IFA has issued its report in respect of the Profit Guidance Statement, as set out in **Appendices 6** and **7** to this Circular, respectively. Shareholders are urged to read this **Appendix 5** and **Appendices 6** and **7** to this Circular carefully.

APPENDIX 6

REPORT FROM THE AUDITOR IN RESPECT OF THE PROFIT GUIDANCE STATEMENT



KPMG LLP
11 Raffles Quay #22-00
Hong Leong Building
Singapore 048881

Telephone +65 6213 2388
Fax +65 6225 0064
Internet www.kpmg.com.sg

Independent assurance report

Board of Directors
Tat Hong Holdings Ltd

Tat Hong Holdings Ltd (the "Company") and its subsidiaries (collectively the "Group") had included the following statement in the announcement released by the Company on 7 February 2018 ("Profit Guidance"):

"Based on the preliminary review of its consolidated results for 3Q FY2018, the Group is expected to report a weak performance for 3Q FY2018 primarily due to poor performance from its equipment distribution business in the ASEAN region and unrealised foreign exchange losses in 3Q FY2018."

We were engaged by the Board of Directors of the Company as required by Rule 25 of the Singapore Code on Take-overs and Mergers (the "Code") to report on the Profit Guidance about whether the Company has prepared the Profit Guidance in accordance with management's bases and assumptions ("bases and assumptions") and a basis of accounting consistent with the accounting policies of the Group (the "accounting policies").

Management's responsibilities

Management is responsible for the preparation of the Profit Guidance in accordance with the bases and assumptions as determined by them and the use of a basis of accounting that is consistent with the accounting policies. In preparing the Profit Guidance, management is responsible for ensuring the accuracy and appropriateness of unaudited financial information used in the preparation of the Profit Guidance and the appropriateness of the bases, assumptions and accounting policies used in the preparation and presentation of the Profit Guidance.

Auditors' independence and quality control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG LLP (Registration No. T20611757), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 169A), and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



Auditors' responsibility

Our responsibility is to examine the Profit Guidance and to report thereon in the form of an independent assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with Singapore Standard on Assurance Engagements 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Company has prepared the Profit Guidance in accordance with the bases and assumptions as determined by management and a basis of accounting consistent with the accounting policies, in all material respects, as the basis for our assurance conclusion.

Our work includes carrying out inquiries with officers primarily responsible for financial reporting and accounting matters. Our work also includes tracing the amounts on the schedule prepared by the officers primarily responsible for financial reporting and accounting matters of the Group to the underlying accounting records. In this connection, we have also considered the system of internal control in relation to the preparation of the Profit Guidance and reliance has been placed on such internal controls, where appropriate.

We have not performed any procedures regarding the bases and assumptions and accordingly do not report on the reasonableness of the bases and assumptions or on the possibility of achievement of the Profit Guidance.

Actual results are likely to be different from the Profit Guidance since anticipated events frequently do not occur as expected and the variation may be material. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our work as described in this report and evidence obtained, nothing has come to our attention that causes us to believe that, the Profit Guidance is not prepared, in all material respects, in accordance with the bases and assumptions and that the basis of accounting is not consistent with the accounting policies.



Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Profit Guidance for the purpose of assisting the Company to comply with Rule 25 of the Code and for no other purpose. Our report is included in the Company's announcement dated 9 March 2018 and will be included in the Circular to be issued by the Company to its members, in connection with the pre-conditional voluntary conditional cash offer by Oversea-Chinese Banking Corporation Limited, for and on behalf of THSC Investments Pte. Ltd. (the "Offeror") for all the issued and paid-up ordinary shares (the "Shares") in the capital of the Company, other than those Shares already held by the Company as treasury shares and those Shares already held, directly or indirectly, by the Offeror as at the date of such offer, for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions in this report.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
9 March 2018

APPENDIX 7

REPORT FROM THE IFA IN RESPECT OF THE PROFIT GUIDANCE STATEMENT



Report from the IFA in respect of the Profit Guidance Statement

6 April 2018

The Board of Directors

Tat Hong Holdings Ltd
82 Ubi Avenue 4
#05-01 Edward Boustead Centre
Singapore 408832

Dear Sirs,

Report from the IFA in respect of the Profit Guidance Statement (as defined herein) made in the announcement which was released by Tat Hong Holdings Ltd (the "Company") on SGXNET on 7 February 2018

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 6 April 2018 to the shareholders of the Company (the "Circular").

On 11 January 2018, OCBC Bank announced, for and on behalf of THSC Investments Pte. Ltd. (the "Offeror"), inter alia, that subject to and contingent upon the satisfaction of the Pre-Conditions, the Offeror intends to make a voluntary conditional cash offer (the "Offer") for all the issued and paid-up ordinary shares (the "Shares") in the capital of the Company, other than those Shares already held by the Company as treasury shares and those Shares already held, directly or indirectly, by the Offeror as at the date of the Offer.

On 9 March 2018, OCBC Bank, for and on behalf of the Offeror, announced, inter alia, that the Pre-Conditions have been satisfied and accordingly, the Offeror announced its firm intention to make the Offer.

On 7 February 2018, the Company announced a profit guidance relating to the Group's financial performance for 3QFY2018 (the "Profit Guidance Announcement"). The following statement set out in italics below (the "Profit Guidance Statement") was made by the Company in the Profit Guidance Announcement in respect of the 3QFY2018 Results:

"Based on the preliminary review of its consolidated results for 3QFY2018, the Group is expected to report a weak performance for 3QFY2018 primarily due to poor performance from its equipment distribution business in the ASEAN region and unrealised foreign exchange losses in 3QFY2018."

This letter has been prepared for inclusion in the Circular in relation to the Offer and the Profit Guidance Statement is reproduced in Appendix 5 to the Circular.

The Profit Guidance Statement was made to provide guidance on the Group's financial performance for 3QFY2018 prior to the release of the 9MFY2018 Results on 13 February 2018 and was not made in connection with the Offer. The Directors have not issued any profit forecast for the Company or the Group in connection with the Offer. The Profit Guidance Statement is not and should not be regarded as a forecast of the Group's financial performance in respect of the period after 9MFY2018. The Group's financial performance for 3QFY2018, to which the Profit Guidance Statement relates, is reproduced in Appendix 8 to the Circular.

We have reviewed the Profit Guidance Announcement and have held discussions with the management of the Company in relation to the Profit Guidance Announcement as well as in relation to the underlying bases and assumptions for the Profit Guidance Announcement prepared by the Company.

ANZ Corporate Advisory

10 Collyer Quay, #22-00 Ocean Financial Centre, Singapore 049315

Australia and New Zealand Banking Group Limited ACN 005 357 523 | Singapore Registration Number F000028398



It is stated in the Circular that the Profit Guidance Statement, for which the Directors are solely responsible, was arrived at on bases consistent with the accounting policies and methods of computation as set out in Appendix 11 to the Circular adopted by the Group for the preparation of the audited consolidated financial statements of the Group for FY2017 and has been made based on the following assumptions and/or information available as at 7 February 2018, being the date on which the Profit Guidance Statement was made:

- (i) there were no contingent liabilities nor non-compliances of laws and regulations which would have a material impact on the Group's financial performance for 3QFY2018;
- (ii) there were no impairment losses which would have a material impact on the Group's financial performance for 3QFY2018; and
- (iii) there was no matter which would cause a significant concern over the Group's ability to continue as a going concern.

We have also considered the "Independent assurance report" dated 9 March 2018 issued by KPMG LLP, being the auditor of the Company, relating to their review of the Profit Guidance Statement and the accounting policies, bases and assumptions upon which the Profit Guidance Statement was prepared.

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

For the purpose of this letter, we have relied on and assumed the accuracy and completeness of all information provided to us and/or discussed with us by the Company. Save as provided in this letter, we do not express any other opinion or views on the Profit Guidance Statement.

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

Yours faithfully

For and on behalf of

Australia and New Zealand Banking Group Limited, Singapore Branch

Ben Gledhill

Head of Corporate Advisory, Asia

ANZ Corporate Advisory

10 Collyer Quay, #22-00 Ocean Financial Centre, Singapore 049315

Australia and New Zealand Banking Group Limited ACH 005 357 522 | Singapore Registration Number PD00018396

APPENDIX 8

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR 9MFY2018

The 9MFY2018 Results set out below have been extracted from the announcement by the Company on 13 February 2018, and were not specifically prepared for inclusion in this Circular. The figures have not been audited.



Registration Number: 199105392H

Unaudited Third Quarter Financial Statements Announcement
For The Quarter Ended 31 December 2017

PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a)(i) An income statement and statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (Third Quarter)			Group (Year-To-Date)		
	3 months ended			9 months ended		
	31 December 2017 S\$'000	31 December 2016 S\$'000	% Change	31 December 2017 S\$'000	31 December 2016 S\$'000	% Change
Revenue	122,925	121,487	1	365,519	348,068	5
Cost of sales	(88,847)	(90,004)	(1)	(265,332)	(247,395)	7
Gross profit	34,078	31,483	8	100,187	100,673	-*
Other operating income including interest income	2,705	16,263	(83)	9,971	24,855	(60)
Distribution expenses	(6,405)	(13,755)	(53)	(19,707)	(27,616)	(29)
Administrative expenses	(25,389)	(29,220)	(13)	(80,390)	(85,225)	(6)
Other operating expenses	(1,555)	2,255	NM	(2,945)	(1,868)	58
Finance expense	(5,162)	(5,567)	(7)	(16,004)	(16,358)	(2)
Share of results of associates (net of tax)	790	1,523	(48)	1,849	1,483	25
Share of results of joint ventures (net of tax)	(222)	(116)	91	(127)	(398)	(68)
(Loss)/profit before income tax	(1,160)	2,866	NM	(7,166)	(4,454)	61
Income tax expense	(1,107)	(1,615)	(31)	(2,374)	(1,325)	79
(Loss)/profit for the period	(2,267)	1,251	NM	(9,540)	(5,779)	65
Attributable to:						
Owners of the Company	(2,399)	221	NM	(10,275)	(8,770)	17
Non-controlling interests	132	1,030	(87)	735	2,991	(75)
(Loss)/profit for the period	(2,267)	1,251	NM	(9,540)	(5,779)	65

NM: Not meaningful

* Less than 1%

1(a)(ii) Statement Of Comprehensive Income

	Group (Third Quarter)			Group (Year-To-Date)		
	3 months ended			9 months ended		
	31 December 2017 S\$'000	31 December 2016 S\$'000	% Change	31 December 2017 S\$'000	31 December 2016 S\$'000	% Change
(Loss)/profit for the period	(2,267)	1,251	NM	(9,540)	(5,779)	65
Other comprehensive income						
<u>Items that are or may be reclassified</u>						
<u>subsequently to profit or loss:</u>						
Net (loss)/gain on translation of						
net investment in foreign entities	(1,869)	2,819	NM	(1,493)	(1,180)	27
Effective portion of changes in fair value						
of cash flow hedges	55	502	(89)	(298)	207	NM
Foreign currency translation differences						
reclassified to profit or loss upon						
disposal of subsidiaries	-	-	NM	375	-	NM
Net change in fair value of						
available-for-sale financial assets	(66)	3	NM	(183)	118	NM
Other comprehensive (loss)/income for						
the period, net of income tax	(1,880)	3,324	NM	(1,599)	(855)	87
Total comprehensive (loss)/income for the						
period	(4,147)	4,575	NM	(11,139)	(6,634)	68
Attributable to:						
Owners of the company	(4,437)	4,738	NM	(9,187)	(6,434)	43
Non-controlling interests	290	(163)	NM	(1,952)	(200)	876
Total comprehensive (loss)/income for the						
period	(4,147)	4,575	NM	(11,139)	(6,634)	68

NM: Not meaningful

1(a)(iii) Notes to income statements

	Group (Third Quarter)			Group (Year-To-Date)		
	3 months ended			9 months ended		
	31 December 2017 S\$'000	31 December 2016 S\$'000	% Change	31 December 2017 S\$'000	31 December 2016 S\$'000	% Change
Depreciation of property, plant and equipment	(17,553)	(18,455)	(5)	(53,165)	(54,736)	(3)
Gain on disposal of property, plant and equipment	347	8,074	(96)	3,862	11,826	(67)
Impairment loss on investment in an associate	-	(740)	NM	-	(740)	NM
Amortisation of intangible assets	(337)	(295)	14	(959)	(801)	20
Allowance recognised for inventories	(697)	(183)	281	(2,653)	(852)	211
Allowance (recognised)/written back for trade receivables	(153)	(6,694)	(98)	154	(6,685)	NM
Bad debts written back/(written off)	160	(1)	NM	(69)	(8)	763
Realised foreign exchange gain/(loss), net, included in "other operating expenses"	119	(153)	NM	833	(2,576)	NM
Unrealised foreign exchange (loss)/gain, net, included in "other operating expenses"	(1,252)	4,778	NM	(2,595)	4,147	NM
Loss on fair value adjustment on derivatives, net, included in "unrealised foreign exchange gain/(loss)"	(339)	(1,416)	(76)	(777)	(385)	102
Impairment loss on property, plant and equipment	-	(445)	NM	-	(848)	NM
Impairment loss on remeasurement of assets held for sale	-	-	NM	-	(600)	NM
Disbursement received in respect of guaranteed trade receivables	-	6,477	NM	-	6,477	NM
Dividend income from investment in other financial assets	-	-	NM	155	136	14
Interest income	346	215	61	985	664	48
Share-based payment expenses	-	(4)	NM	(16)	(33)	(52)
Loss on disposal of an associate	-	-	NM	(145)	-	NM
Legal claim costs	-	-	NM	(1,824)	-	NM
Gain/(loss) on disposal of subsidiaries	492	-	NM	836	(148)	NM
Over/(under) provision of income tax expense	676	(283)	NM	1,718	(955)	NM
Cost of long service and annual leave	(537)	(919)	(42)	(3,345)	(2,291)	46

NM: Not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31	31	31	31
	December	March	December	March
	2017	2017	2017	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	691,608	738,009	838	1,057
Subsidiaries	-	-	372,435	372,435
Associates	43,413	40,791	12,466	12,466
Joint ventures	3,544	3,806	4,716	4,716
Other financial assets	1,297	1,033	1,213	949
Deferred tax assets	10,497	10,757	-	-
Intangible assets	11,684	9,243	-	-
Trade and other receivables	-	62	-	-
	<u>762,043</u>	<u>803,701</u>	<u>391,668</u>	<u>391,623</u>
Current assets				
Assets held for sale	2,844	4,065	-	-
Inventories	146,333	145,013	-	-
Trade and other receivables	214,777	193,065	229,228	225,322
Cash and cash equivalents	111,584	114,284	5,935	26,065
	<u>475,538</u>	<u>456,427</u>	<u>235,163</u>	<u>251,387</u>
Total assets	<u>1,237,581</u>	<u>1,260,128</u>	<u>626,831</u>	<u>643,010</u>
Equity attributable to owners of the Company				
Share capital	366,879	366,879	366,879	366,879
Reserve for own shares	(2,571)	(2,622)	(2,571)	(2,622)
Share-based payment reserve	345	392	345	392
Capital reserves	28,568	28,638	(1,914)	(1,926)
Fair value reserve	481	962	493	808
Currency translation reserve	(42,256)	(43,753)	-	-
Accumulated profits	226,246	236,867	29,519	39,716
	<u>577,692</u>	<u>587,363</u>	<u>392,751</u>	<u>403,247</u>
Non-controlling interests	<u>33,082</u>	<u>34,628</u>	<u>-</u>	<u>-</u>
Total equity	<u>610,774</u>	<u>621,991</u>	<u>392,751</u>	<u>403,247</u>
Non-current liabilities				
Trade and other payables	2,690	2,590	96	121
Financial liabilities	168,237	209,883	79,709	87,384
Notes payable	-	98,235	-	98,235
Deferred tax liabilities	30,115	28,326	-	-
	<u>201,042</u>	<u>339,034</u>	<u>79,805</u>	<u>185,740</u>
Current liabilities				
Trade and other payables	177,152	157,159	39,365	37,482
Financial liabilities	148,483	141,779	16,519	16,519
Notes payable	98,387	-	98,388	-
Current tax payable	1,743	165	3	22
	<u>425,765</u>	<u>299,103</u>	<u>154,275</u>	<u>54,023</u>
Total liabilities	<u>626,807</u>	<u>638,137</u>	<u>234,080</u>	<u>239,763</u>
Total equity and liabilities	<u>1,237,581</u>	<u>1,260,128</u>	<u>626,831</u>	<u>643,010</u>

1(b)(ii) Aggregate amount of the group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2017		As at 31 March 2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
90,194	58,289	75,000	66,779

Amount repayable after one year

As at 31 December 2017		As at 31 March 2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
84,652	83,585	118,373	91,510

Details of any collateral

Included in the Group's secured borrowings are borrowings of:

- (i) S\$4,600,000 (31 March 2017: S\$6,358,000) secured by a charge over four barges and a work boat of a subsidiary with a carrying value of S\$13,135,000 (31 March 2017: S\$15,784,000);
- (ii) S\$82,115,000 (31 March 2017: S\$91,899,000) in respect of property, plant and equipment acquired under finance leases with a carrying value of S\$126,839,000 (31 March 2017: S\$161,371,000);
- (iii) S\$59,242,000 (31 March 2017: S\$74,979,000) secured by equipment of subsidiaries with a carrying value of S\$132,364,000 (31 March 2017: S\$162,447,000);
- (iv) S\$1,382,000 (31 March 2017: S\$4,164,000) secured by a charge over leasehold land and building of subsidiaries with a carrying value of S\$20,257,000 (31 March 2017: S\$21,570,000);
- (v) S\$2,528,000 (31 March 2017: S\$2,700,000) secured by a charge over freehold land and building of a subsidiary with a carrying value of S\$4,843,000 (31 March 2017: S\$4,629,000); and
- (vi) S\$24,979,000 (31 March 2017: S\$13,274,000) secured by amounts owing by certain customers to the Group's subsidiaries.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group (Third Quarter)		Group (Year-To-Date)	
	3 months ended		9 months ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities:				
(Loss)/profit for the period	(2,267)	1,251	(9,540)	(5,779)
Adjustments for:				
Depreciation of property, plant and equipment	17,553	18,455	53,165	54,736
Gain on disposal of property, plant and equipment	(347)	(8,074)	(3,862)	(11,826)
Loss on fair value adjustment on derivatives, net	339	1,416	777	385
Property, plant and equipment written off	-	-	4	-
Bad debts (written back)/written off	(160)	1	69	8
Amortisation of intangible assets	337	295	959	801
Cost of long service and annual leave	537	919	3,345	2,291
Loss on disposal of an associate	-	-	145	-
(Gain)/loss on disposal of subsidiaries	(492)	-	(836)	148
Gain on liquidation of a subsidiary	-	-	-	(164)
Dividend income from investment in other financial assets	-	-	(155)	(136)
Share of results of associates	(790)	(1,523)	(1,849)	(1,483)
Share of results of joint ventures	222	116	127	398
Provisions made	65	36	245	123
Share-based payment expenses	-	4	16	33
Finance income	(346)	(215)	(985)	(664)
Finance expense	5,162	5,567	16,004	16,358
Impairment loss on property, plant and equipment	-	445	-	848
Impairment loss on remeasurement of assets held for sale	-	-	-	600
Impairment loss on investment in an associate	-	740	-	740
Income tax expense	1,107	1,615	2,374	1,325
Operating profit before working capital changes	20,920	21,048	60,003	58,742
Changes in working capital:				
Inventories	(2,873)	9,697	3,197	18,535
Trade and other receivables	(12,375)	(9,493)	(26,390)	(14,066)
Trade and other payables	8,082	6,074	26,515	(7,507)
Cash generated from operations	13,754	27,326	63,325	55,704
Income taxes paid	(68)	(856)	(2,199)	(4,140)
Payment for long service and annual leave and others	(1,443)	(1,044)	(4,639)	(3,923)
Net cash from operating activities	12,243	25,426	56,487	47,641
Investing activities:				
Purchase of property, plant and equipment	(4,992)	(2,836)	(7,377)	(22,913)
Purchase of intangible assets	(2,225)	(2,058)	(3,318)	(3,473)
Proceeds from disposal of property, plant and equipment	1,077	30,269	15,847	49,724
Proceeds from disposal of an associate	-	-	49	-
Proceeds from disposal of other financial assets	-	869	-	869
Net cash inflow from disposal of subsidiaries	-	-	312	10
Dividends received from an associate	-	-	213	-
Dividends received from other financial assets	-	-	155	136
Loan to a joint venture	(662)	-	(3,836)	-
Investment in other financial assets, net	(207)	-	(280)	(167)
Interest received	346	215	985	664
Net cash (used in)/from investing activities	(6,663)	26,459	2,750	24,850

	Group (Third Quarter)		Group (Year-To-Date)	
	3 months ended		9 months ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Financing activities:				
Net proceeds from/(repayment of) trust receipts	17,084	(199)	11,370	6,750
Proceeds from bank loans	10,845	19,405	37,877	97,753
Repayment of bank loans	(18,197)	(35,871)	(65,886)	(137,513)
Proceeds from finance lease obligations	-	13,512	-	14,000
Repayment of finance lease obligations	(5,051)	(21,489)	(29,387)	(49,267)
Dividends paid to non-controlling interests	-	(16)	-	(16)
Change in bank balances earmarked for certain banking facilities	397	(22,386)	497	(22,408)
Interest paid	(5,175)	(5,778)	(15,161)	(16,370)
Net cash used in financing activities	(97)	(52,822)	(60,690)	(107,071)
Net increase/(decrease) in cash and cash equivalents during the period	5,483	(937)	(1,453)	(34,252)
Cash and cash equivalents at beginning of the period	85,547	97,136	92,538	130,072
Effect of exchange rate fluctuations on cash held	(695)	558	(750)	937
Cash and cash equivalents at end of the period	90,335	96,757	90,335	96,757

Group	
31 December 2017	31 December 2016
S\$'000	S\$'000

Cash and cash equivalents

Cash, bank balances and fixed deposits with banks	111,584	119,795
Bank balances earmarked for certain banking facilities	(21,249)	(23,038)
Cash and cash equivalents at end of the period	90,335	96,757

Notes:

During the 9 months ended 31 December 2017, the Group acquired property, plant and equipment with an aggregate cost of S\$25,956,000 (31 December 2016: S\$47,354,000) of which S\$18,579,000 (31 December 2016: S\$24,441,000) was acquired by means of finance leases and loans.

In addition, property, plant and equipment of S\$2,301,000 (31 December 2016: S\$9,921,000) was transferred from inventories during the 9 months ended 31 December 2017, of which S\$nil (31 December 2016: S\$589,000) was financed by means of finance leases.

During the 9 months ended 31 December 2017, property, plant and equipment with carrying amount amounting to S\$6,884,000 (31 December 2016: S\$36,893,000) was transferred to inventories due to change in the use of assets.

In February 2017, the Company raised net proceeds of S\$41.0 million from the issue of 125,521,284 shares pursuant to a renounceable underwritten rights issue on the basis of 1 rights share for every 5 existing shares. As of 31 December 2017, S\$20.5 million has been utilised for the repayment of loans, S\$2.7 million for professional fees and S\$17.8 million for inventory purchases. The net proceeds have been fully utilised in accordance with its stated use.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Group	Share capital S\$'000	Reserve for own shares S\$'000	Share-based payment reserve S\$'000	Capital reserves S\$'000	Fair value reserve S\$'000	Currency translation reserve S\$'000	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
At 1 April 2016	325,849	(2,673)	517	29,564	174	(43,410)	275,680	585,701	43,982	629,683
Total comprehensive income for the period										
(Loss)/profit for the period	-	-	-	-	-	-	(8,991)	(8,991)	1,961	(7,030)
Other comprehensive income										
Net loss on translation of net investment in foreign entities	-	-	-	(88)	-	(1,913)	-	(2,001)	(1,998)	(3,999)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(295)	-	-	(295)	-	(295)
Net change in fair value of available-for-sale financial assets	-	-	-	-	115	-	-	115	-	115
Total other comprehensive income	-	-	-	(88)	(180)	(1,913)	-	(2,181)	(1,998)	(4,179)
Total comprehensive income for the period	-	-	-	(88)	(180)	(1,913)	(8,991)	(11,172)	(37)	(11,209)
Transactions with owners of the Company, recognised directly in equity										
Contributions by and distributions to owners of the Company										
Cancellation of share options	-	-	(39)	-	-	-	39	-	-	-
Value of employee services received for issue of performance shares	-	-	29	-	-	-	-	29	-	29
Performance shares awarded using treasury shares	-	51	(63)	12	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	51	(73)	12	-	-	39	29	-	29
Others										
Transfer to reserves	-	-	-	901	-	-	(901)	-	-	-
At 30 September 2016	325,849	(2,622)	444	30,389	(6)	(45,323)	265,827	574,558	43,945	618,503

The Group	Share capital S\$'000	Reserve for own shares S\$'000	Share-based payment reserve S\$'000	Capital reserves S\$'000	Fair value reserve S\$'000	Currency translation reserve S\$'000	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
At 1 October 2016	325,849	(2,622)	444	30,389	(6)	(45,323)	265,827	574,558	43,945	618,503
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	221	221	1,030	1,251
Other comprehensive income										
Net gain/(loss) on translation of net investment in foreign entities	-	-	-	99	-	3,913	-	4,012	(1,193)	2,819
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	502	-	-	502	-	502
Net change in fair value of available-for-sale financial assets	-	-	-	-	3	-	-	3	-	3
Total other comprehensive income	-	-	-	99	505	3,913	-	4,517	(1,193)	3,324
Total comprehensive income for the period	-	-	-	99	505	3,913	221	4,738	(163)	4,575
Transactions with owners of the Company, recognised directly in equity										
Contributions by and distributions to owners of the Company										
Cancellation of share options	-	-	(13)	-	-	-	13	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(16)	(16)
Value of employee services received for issue of performance shares	-	-	4	-	-	-	-	4	-	4
Total contributions by and distributions to owners of the Company	-	-	(9)	-	-	-	13	4	(16)	(12)
Others										
Transfer to reserves	-	-	-	3	-	-	(3)	-	-	-
At 31 December 2016	325,849	(2,622)	435	30,491	499	(41,410)	266,058	579,300	43,766	623,066

The Group	Share capital S\$'000	Reserve for own shares S\$'000	Share-based payment reserve S\$'000	Capital reserves S\$'000	Fair value reserve S\$'000	Currency translation reserve S\$'000	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
At 1 April 2017	366,879	(2,622)	392	28,638	962	(43,753)	236,867	587,363	34,628	621,991
Total comprehensive income for the period (Loss)/profit for the period	-	-	-	-	-	-	(7,876)	(7,876)	603	(7,273)
Other comprehensive income										
Net gain/(loss) on translation of net investment in foreign entities	-	-	-	50	-	3,171	-	3,221	(2,845)	376
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(353)	-	-	(353)	-	(353)
Foreign currency translation differences reclassified to profit or loss upon disposal of subsidiaries	-	-	-	-	-	375	-	375	-	375
Net change in fair value of available-for-sale financial assets	-	-	-	-	(117)	-	-	(117)	-	(117)
Total other comprehensive income	-	-	-	50	(470)	3,546	-	3,126	(2,845)	281
Total comprehensive income for the period	-	-	-	50	(470)	3,546	(7,876)	(4,750)	(2,242)	(6,992)
Transactions with owners of the Company, recognised directly in equity										
Contributions by and distributions to owners of the Company										
Value of employee services received for issue of performance shares	-	-	16	-	-	-	-	16	-	16
Performance shares awarded using treasury shares	-	51	(63)	12	-	-	-	-	-	-
Total contributions by and distributions to owners of the Company	-	51	(47)	12	-	-	-	16	-	16
Changes in ownership interests in subsidiaries										
Disposal of subsidiaries	-	-	-	(500)	-	-	-	(500)	406	(94)
Total changes in ownership interests in subsidiaries	-	-	-	(500)	-	-	-	(500)	406	(94)
Others										
Transfer to reserves	-	-	-	346	-	-	(346)	-	-	-
At 30 September 2017	366,879	(2,571)	345	28,546	492	(40,207)	228,645	582,129	32,792	614,921

The Group	Share capital S\$'000	Reserve for own shares S\$'000	Share-based payment reserve S\$'000	Capital reserves S\$'000	Fair value reserve S\$'000	Currency translation reserve S\$'000	Accumulated profits S\$'000	Total attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
At 1 October 2017	366,879	(2,571)	345	28,546	492	(40,207)	228,645	582,129	32,792	614,921
Total comprehensive income for the period										
(Loss)/profit for the period	-	-	-	-	-	-	(2,399)	(2,399)	132	(2,267)
Other comprehensive income										
Net gain/(loss) on translation of net investment in foreign entities	-	-	-	22	-	(2,049)	-	(2,027)	158	(1,869)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	55	-	-	55	-	55
Net change in fair value of available-for-sale financial assets	-	-	-	-	(66)	-	-	(66)	-	(66)
Total other comprehensive income	-	-	-	22	(11)	(2,049)	-	(2,038)	158	(1,880)
Total comprehensive income for the period	-	-	-	22	(11)	(2,049)	(2,399)	(4,437)	290	(4,147)
At 31 December 2017	366,879	(2,571)	345	28,568	481	(42,256)	226,246	577,692	33,082	610,774

The Company	Share capital	Reserve for own shares	Share based payment reserve	Capital reserves	Fair value reserve	Accumulated profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2016	325,849	(2,673)	517	(1,938)	134	46,112	368,001
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(3,388)	(3,388)
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(295)	-	(295)
Total other comprehensive income	-	-	-	-	(295)	-	(295)
Total comprehensive income for the period	-	-	-	-	(295)	(3,388)	(3,683)
Contributions by and distributions to owners of the Company							
Cancellation of share options	-	-	(39)	-	-	39	-
Value of employee services received for issue of performance shares	-	-	29	-	-	-	29
Performance shares awarded using treasury shares	-	51	(63)	12	-	-	-
Total contributions by and distributions to owners of the Company	-	51	(73)	12	-	39	29
At 30 September 2016	325,849	(2,622)	444	(1,926)	(161)	42,763	364,347
At 1 October 2016	325,849	(2,622)	444	(1,926)	(161)	42,763	364,347
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(2,660)	(2,660)
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	502	-	502
Total other comprehensive income	-	-	-	-	502	-	502
Total comprehensive income for the period	-	-	-	-	502	(2,660)	(2,158)
Contributions by and distributions to owners of the Company							
Cancellation of share options	-	-	(13)	-	-	13	-
Value of employee services received for issue of performance shares	-	-	4	-	-	-	4
Total contributions by and distributions to owners of the Company	-	-	(9)	-	-	13	4
At 30 September 2016	325,849	(2,622)	435	(1,926)	341	40,116	362,193

The Company

	Share capital	Reserve for own shares	Share based payment reserve	Capital reserves	Fair value reserve	Accumulated profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2017	366,879	(2,622)	392	(1,926)	808	39,716	403,247
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(5,985)	(5,985)
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(353)	-	(353)
Net changes in fair value of available-for-sale financial assets	-	-	-	-	(29)	-	(29)
Total other comprehensive income	-	-	-	-	(382)	-	(382)
Total comprehensive income for the period	-	-	-	-	(382)	(5,985)	(6,367)
Contributions by and distributions to owners of the Company							
Value of employee services received for issue of performance shares	-	-	16	-	-	-	16
Performance shares awarded using treasury shares	-	51	(63)	12	-	-	-
Total contributions by and distributions to owners of the Company	-	51	(47)	12	-	-	16
At 30 September 2017	366,879	(2,571)	345	(1,914)	426	33,731	396,896
At 1 October 2017	366,879	(2,571)	345	(1,914)	426	33,731	396,896
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(4,212)	(4,212)
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	55	-	55
Net changes in fair value of available-for-sale financial assets	-	-	-	-	12	-	12
Total other comprehensive income	-	-	-	-	67	-	67
Total comprehensive income for the period	-	-	-	-	67	(4,212)	(4,145)
At 31 December 2017	366,879	(2,571)	345	(1,914)	493	29,519	392,751

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Ordinary Shares

There were no changes in the Company's share capital since 30 September 2017.

Performance Shares

There were nil performance shares granted but not vested as at 31 December 2017 (31 December 2016: 77,500).

Share Option

No share options under the Tat Hong Employee Share Option Scheme 2006 were exercised during the 3 months ended 31 December 2017 (31 December 2016: nil).

During the 3 months ended 31 December 2017, 15,000 share options were cancelled (31 December 2016: 40,000). As at 31 December 2017, there were 923,000 (31 December 2016: 1,253,000) outstanding share options exercisable at the price of S\$1.08 per share.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 31 December 2017, the Company's issued and paid up capital less treasury shares comprised 753,205,207 ordinary shares (31 March 2017: 753,127,707).

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.**

	FY2018	FY2017
Balance as at 1 April	3,986,400	4,063,900
Performance shares awarded using treasury shares	(77,500)	(77,500)
Balance as at 31 December	3,908,900	3,986,400

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

As at 31 December 2017, there were no sales, transfers, cancellation and/or use of subsidiary holdings.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the consolidated financial statements for the current reporting period as those applied in the audited financial statements for the year ended 31 March 2017.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In the current financial period, the Group adopted the applicable new and revised Singapore Financial Reporting Standards ("FRSs") and related Interpretations ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2017. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the financial statements.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group (Third Quarter)		Group (Year-To-Date)	
	3 months ended 31 Dec 2017	3 months ended 31 Dec 2016 (restated)	9 months ended 31 Dec 2017	9 months ended 31 Dec 2016 (restated)
Net (loss)/profit attributable to owners of the Group (S\$'000)	(2,399)	221	(10,275)	(8,770)
Weighted average ordinary shares ('000) for calculation of:				
- Basic earnings per share	753,205	630,697	753,197	630,685
- Diluted earnings per share	753,205	630,697	753,197	630,685
Earnings per ordinary share ("EPS") (SGD cents) of the Group:				
(a) Based on the weighted average number of ordinary shares on issue	(0.32)	0.04	(1.36)	(1.39)
(b) On a fully diluted basis	(0.32)	0.04	(1.36)	(1.39)

In February 2017, the Company issued 125,521,284 ordinary shares for cash pursuant to a renounceable underwritten rights issue on the basis of 1 rights share for every 5 existing shares in the capital of the Company. The comparatives have been restated to account for the effect of the rights issue.

As at 31 December 2017, there were 923,000 (31 December 2016: 1,253,000) share options which were granted on 30 September 2009 available for conversion to ordinary shares. The share options are deemed to be anti-dilutive (31 December 2016: anti-dilutive) and are not included in the weighted average number of ordinary shares for the purpose of computing diluted earnings per share.

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	31 December 2017	31 March 2017	31 December 2017	31 March 2017
Net asset value per ordinary share (S\$)	0.77	0.78	0.52	0.54
Net tangible asset per ordinary share (S\$)	0.75	0.77	0.52	0.54

Net asset value and net tangible asset per ordinary share as at 31 December 2017 and 31 March 2017 were computed based on 753,205,207 and 753,127,707 shares respectively.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cashflow, working capital, assets or liabilities of the group during the current financial period reported on.**

Income statement

3QFY2018 vs 3QFY2017

The Group's revenue in the quarter ended 31 December 2017 ("3QFY2018") increased by 1% to S\$122.9 million, compared with revenue posted in the corresponding quarter ended 31 December 2016 ("3QFY2017") of S\$121.5 million.

A breakdown of the Group's revenue by business segments is set out below:

	Group		
Revenue	3QFY2018	3QFY2017	Change
	S\$'000	S\$'000	%
Crane Rental	31,042	30,286	2
Tower Crane Rental (China)	32,111	27,354	17
General Equipment Rental (Australia)	14,271	11,611	23
Distribution	45,501	52,236	(13)
Total	122,925	121,487	1

Crane Rental revenue increased by 2% to S\$31.0 million in 3QFY2018, mainly attributable to higher crane utilisation rates in Malaysia and Australia as a result of new projects undertaken during the period, partially offset by lower activity levels in Batam and Hong Kong, as well as lower rental rate in Singapore.

Tower Crane Rental division posted an increase of 17% in revenue to S\$32.1 million in 3QFY2018 mainly attributable to higher tonnage rented out from an enlarged fleet.

General Equipment Rental division recorded a healthy 23% increase to S\$14.3 million in 3QFY2018, mainly due to improved utilisation rate as well as commencement of new projects arising from increased infrastructure spending.

Revenue from Distribution division in 3QFY2018 recorded a decrease of 13% to S\$45.5 million mainly due to lower crane equipment sales in Malaysia, Thailand and other overseas markets such as Japan, Middle East, Bangladesh, the Philippines and Europe, partially offset by higher sales in Australia. Revenue in 3QFY2017 had included sales of excavators in Vietnam and parts in the Asean region, businesses which the Group had exited in June 2017 and September 2017 respectively.

Gross profit improved 8% to S\$34.1 million in 3QFY2018 on the back of improved margins from all divisions in Australia and stable margin from the Tower Crane Rental division, partially eroded by lower margins from the Crane Rental and Distribution divisions in the ASEAN region.

The Group's other operating income in 3QFY2018 amounted to S\$2.7 million, compared to S\$16.3 million in 3QFY2017 which had included one-off items on recovery of receivables amounting to S\$6.5 million under guarantee and a gain of S\$5.2 million on the disposal of a property in Australia.

The Group's total operating costs decreased by 18% to S\$33.3 million in 3QFY2018 due primarily to savings in manpower costs and lower provision for doubtful debt, partially offset by foreign exchange losses of S\$1.1 million compared with a gain of S\$4.6 million in 3QFY2017. In addition, 3QFY2017's operating costs included impairment losses of S\$1.2 million.

Finance costs in 3QFY2018 of S\$5.2 million was slightly lower than 3QFY2017 primarily due to the repayment of loans, partially offset by higher interest rates.

The Group recorded a pre-tax loss of S\$1.2 million in 3QFY2018 compared with S\$2.9 million profit in 3QFY2017 as a result of weak performance of the Distribution division in the Asean region, lower gross profit of the Crane Rental division in the Asean region, lower other operating income, foreign exchange losses, lower share of profit from associates and joint ventures, partially compensated by an improvement in gross profit of divisions in Australia and China and savings in operating costs.

Loss attributable to shareholders in 3QFY2018 was S\$2.4 million compared with a net attributable profit of S\$0.2 million posted in 3QFY2017. .

9MFY2018 vs 9MFY2017

The Group's revenue in the 9 months ended 31 December 2017 ("9MFY2018") increased by 5% to S\$365.5 million, compared with revenue posted in the corresponding 9 months ended 31 December 2016 ("9MFY2017") of S\$348.1 million.

A breakdown of the Group's revenue by business segments is set out below:

	Group		
Revenue	9MFY2018	9MFY2017	Change
	S\$'000	S\$'000	%
Crane Rental	94,395	101,916	(7)
Tower Crane Rental (China)	86,810	77,327	12
General Equipment Rental (Australia)	42,862	33,653	27
Distribution	141,452	135,172	5
Total	365,519	348,068	5

Crane Rental 9MFY2018 revenue fell by 7% to S\$94.4 million compare to 9MFY2017, mainly due to lower rental rate in Singapore, lower activity levels in Batam and Hong Kong, partially compensated by higher utilisation rates in Malaysia and Australia.

Tower Crane Rental division posted 12% increase in revenue to S\$86.8 million in 9MFY2018 mainly attributable to higher tonnage rented out from an enlarged fleet.

General Equipment Rental division recorded a healthy 27% increase to S\$42.9 million in 9MFY2018, mainly due to improved utilisation rate as well as commencement of new projects arising from increased infrastructure spending.

Revenue from Distribution division in 9MFY2018 recorded an increase of 5% to S\$141.5 million mainly due to higher equipment and parts sales in Australia and Singapore, partially offset by lower demand for cranes in Thailand and Malaysia and other overseas markets such as Japan, Middle East, Bangladesh, the Philippines and Europe. 9MFY2017 also included sales of excavators in Vietnam and parts in the Asean region, businesses which the Group had exited in June 2017 and September 2017 respectively.

While gross profit in 9MFY2018 remained comparable, gross profit margin declined. Lower profit margins were recorded by the Crane Rental and Distribution divisions of the Asean Group, as well as the Tower Crane Rental division. These were compensated by improved margins from all business divisions in Australia.

The Group's other operating income in 9MFY2018 amounted to S\$10.0 million, compared to 9MFY2017's S\$24.9 million which had included one-off items on recovery of receivables amounting to S\$6.5 million under guarantee and a gain of S\$5.2 million on disposal of a property in Australia. In addition, lower grant income was received in 9MFY2018 compared to 9MFY2017.

The Group's total operating costs fell 10% in 9MFY2018 as a result of savings in manpower, transport and insurance costs, as well as lower impairment charges and provision for doubtful debt, partially offset by a legal claim and higher repair and maintenance costs.

Finance costs in 9MFY2018 of S\$16.0 million were slightly lower than 9MFY2017 primarily due to the repayment of loans, partially offset by higher interest rates.

In 9MFY2018, the Group's pre-tax loss was S\$7.2 million compared to 9MFY2017's S\$4.5 million pre-tax loss as a result of lower other operating income partially compensated by lower operating costs and higher share of profits from associates and joint ventures.

Loss attributable to shareholders in 9MFY2018 was S\$10.3 million compared with net attributable loss of S\$8.8 million in 9MFY2017.

Balance Sheet (as at 31 December 2017 vs 31 March 2017)

- The decrease of S\$46.4 million in the Group's net carrying amount of property, plant and equipment was mainly attributable to the disposals of property, plant and equipment, depreciation charges, partially offset by the additions of property, plant and equipment and transfers from inventories.
- Equipment with a net book value of S\$1.2 million previously reclassified as "Assets held for sale" was subsequently disposed for a cash consideration of approximately S\$1.7 million.

- Inventories increased by approximately S\$1.3 million due to additions of inventories in Australia partially offset by prudent inventory purchases as well as the disposal of subsidiaries.
- Trade and other receivables increased by approximately S\$18.2 million largely due to higher tax recoverable, advances to suppliers, related companies' receivables and amount owing by a joint venture partially offset by lower sundry debtors.
- Trade and other payables increased by S\$16.6 million largely due to purchase of inventories and equipment.
- Total financial liabilities decreased by S\$34.9 million mainly due to net debt repayment.
- Net gearing as at 31 December 2017 was 0.54 times (31 March 2017: 0.57 times).

Cash flow

As at 31 December 2017, the Group recorded cash and cash equivalents of S\$111.6 million of which S\$21.2 million was earmarked for certain banking facilities. The net increase of S\$5.5 million in cash and cash equivalents during 3QFY2018 resulted mainly from proceeds from disposal of property, plant and equipment and net cash inflow from operating activities, partially offset by the net repayment of bank loans, finance lease obligations and interests and purchases of property, plant and equipment and intangible assets.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The macro environment was largely similar to that disclosed in Paragraph 10 of the Group's Financial Statements for the Second Quarter ended 30 September 2017 which was released via the SGXNET on 14 November 2017.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Overall, whilst the business climate for the crane rental market and other sectors in which the Group operates in the People's Republic of China and Australia is positive, there may be pockets of weaknesses arising from challenging market conditions in certain parts of the ASEAN region and newly announced environmental regulations affecting the Beijing area.

For the Crane Rental Division, while market sentiments are improving in Australia, market weakness and competitive pricing pressures are expected to continue in certain parts of the ASEAN region.

As for the Tower Crane Rental Division in China, there is a strong pipeline of committed projects in the building, infrastructure, transport and power generation sectors.

Further, infrastructure spending in Australia is increasing, which the General Equipment Rental Division hopes to take advantage of.

As for the Distribution Division, demand in Australia is improving, though continued weakness in the heavy equipment market is expected to continue in the ASEAN region.

Notwithstanding the above, the Group will continue its fleet rationalisation activities. The Group will also continue to take advantage of its strong China presence to explore opportunities in China's Belt and Road Initiative.

Other Matters

On 11 January 2018, Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**") made an announcement (the "**Pre-Conditional Offer Announcement**"), for and on behalf of THSC Investments Pte. Ltd. (the "**Offeror**"), that subject to and contingent upon the satisfaction of the Pre-Conditions (as defined in the Pre-Conditional Offer Announcement), the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of the Company, other than those Shares already held by the Company as treasury shares and those Shares already held, directly or indirectly, by the Offeror as at the date of the Offer. The Offeror is owned by Standard Chartered Private Equity (Singapore) Pte. Ltd. ("**SCPE**") and TH60 Investments Pte. Ltd. ("**TH60**").

The Offer will not be made unless and until all the Pre-Conditions have been satisfied on or before 5.00 p.m. on 11 July 2018, being the date falling six months from the date of the Pre-Conditional Offer Announcement, or such other date as SCPE and TH60 may mutually agree in writing in consultation with the Securities Industry Council of Singapore.

One of the Pre-Conditions to the Offer is the Offeror being informed in writing by or on behalf of the Australian Competition and Consumer Commission (the "**ACCC**") that the ACCC will not oppose the Offeror acquiring the equity securities in the Company (the "**ACCC Clearance Condition**"). On 25 January 2018, OCBC Bank announced, for and on behalf of the Offeror, that the ACCC Clearance Condition has been satisfied (the "**Update Announcement**").

Please refer to the Pre-Conditional Offer Announcement and the Update Announcement, copies of which are available on the website of the Singapore Exchange Securities Trading Limited at <http://www.sgx.com>, for further information on the Offer.

11. Dividend

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on? No

(b) Corresponding period of the immediately preceding financial year

Any dividend recommended for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded for the current financial period reported on.

13. Interested Person Transactions

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)				Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)			
	Group (Third Quarter) 3 months ended		Group (Year-To-Date) 9 months ended		Group (Third Quarter) 3 months ended		Group (Year-To-Date) 9 months ended	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
(A) Sale								
CS Construction & Geotechnic Pte Ltd	-	-	-	-	-	-	216	620
L&M Foundation Specialist Pte Ltd	-	-	-	-	361	183	1,067	289
THL Foundation Equipment Pte Ltd	-	-	-	-	218	472	849	984
CS Bored Pile System Pte Ltd	-	-	-	-	302	135	573	425
Tat Hong Investments Pte Ltd	-	-	667	-	-	-	-	-
Tat Hong Training Services Pte Ltd	-	-	-	-	-	-	-	185
DW Foundation Pte Ltd	-	-	-	-	119	-	119	-
Ng Sun Ho	-	-	-	410	-	-	-	-
ICE Far East Sdn Bhd	-	-	-	-	-	-	291	-
Tat Hong Vietnam Co., Ltd	-	-	-	-	760	-	1,407	-
Tat Hong (V.N.) Pte Ltd	-	-	700	-	452	-	452	-
(B) Purchase								
CMC Construction Pte Ltd	-	-	-	-	-	-	-	771
ICE Far East Sdn Bhd	-	-	-	-	-	720	-	720
BP-Ubi Industrial Pte Ltd	-	-	-	-	157	155	469	460

14. Confirmation of Procuring Undertakings from Directors and Executive Officers

The company has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7.7 of the Listing Manual) under Rule 720(1) of the Listing Manual.

By Order of the Board
Jennie Hong Chok Hane
Group CFO / Company Secretary
13 February 2018

STATEMENT PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We confirm on behalf of the Board of Directors that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the financial results of the Group and Company (comprising the statement of financial position, consolidated statement of comprehensive income, statement of changes in equity and consolidated statement of cash flow, together with their accompanying notes) as at 31 December 2017 and the results of the business, changes in equity and cash flows of the Group for the 9 months ended on that date, to be false or misleading in any material respect.

ON BEHALF OF THE DIRECTORS

Ng San Tiong
Managing Director

Ng Sang Kuey
Director

This unaudited consolidated financial statements of the Group for the third quarter ended 31 December 2017 has not been reported on in accordance with the Singapore Code on Take-overs and Mergers. The auditor's or reporting accountant's report on such unaudited consolidated financial statements of the Group will be provided in an announcement to be released by the Company on a later date and, in any event, by 9 March 2018.

The directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement (the omission of which would render any statement in this announcement misleading in any material aspect), and they jointly and severally accept responsibility accordingly.

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

APPENDIX 9

REPORT FROM THE AUDITOR IN RESPECT OF THE 9MFY2018 RESULTS



KPMG LLP
15 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0864
Internet www.kpmg.com.sg

Report on review of Condensed Consolidated Interim Financial Information

The Board of Directors of
Tat Hong Holdings Ltd

Introduction

We have reviewed the condensed consolidated statement of financial position of Tat Hong Holdings Ltd (the "Company") and its subsidiaries as at 31 December 2017 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine months then ended and the condensed consolidated statements of profit or loss, and comprehensive income for the three months then ended and certain explanatory notes (the "Condensed Consolidated Interim Financial Information"). Management is responsible for the preparation and presentation of this Condensed Consolidated Interim Financial Information in accordance with Singapore Financial Reporting Standard 34 *Interim Financial Reporting* ("FRS 34"). Our responsibility is to express a conclusion on this Condensed Consolidated Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standards on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Consolidated Interim Financial Information is not prepared, in all material respects, in accordance with FRS 34.



Other matter

We have not carried out an audit or a review in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements on the Condensed Consolidated Interim Financial Information for the nine months ended 31 December 2016 and three months ended 31 December 2016. Accordingly, we do not express any such assurance on the Condensed Consolidated Interim Financial Statements for the nine months ended 31 December 2016 and three months ended 31 December 2016.

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Condensed Consolidated Interim Financial Information for the purpose of assisting the Company to comply with the requirements of Rule 25 of the Singapore Code on Take-overs and Mergers and for no other purpose. Our report is included in the Company's announcement dated 9 March 2018 and will be included in the circular to be issued by the Company, in connection with the pre-conditional voluntary conditional cash offer by Oversea-Chinese Banking Corporation Limited, for and on behalf of THSC Investments Pte. Ltd. (the "Offeror") for all the issued and paid-up ordinary shares (the "Shares") in the capital of the Company, other than these Shares already held by the Company as treasury shares and those Shares already held, directly or indirectly, by the Offeror as at the date of such offer, for the information of its members. We do not assume responsibility to anyone other than to the Company for our work, for our report, or for the conclusions we have reached in our report.

A handwritten signature in black ink, appearing to read 'KPMG LLP'.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
9 March 2018

APPENDIX 10

REPORT FROM THE IFA IN RESPECT OF THE 9MFY2018 RESULTS



Report from the IFA in respect of the 9MFY2018 Results

6 April 2018

The Board of Directors

Tat Hong Holdings Ltd
82 Ubi Avenue 4
#05-01 Edward Boustead Centre
Singapore 408832

Dear Sirs,

Report from the IFA in respect of the unaudited consolidated financial statements of Tat Hong Holdings Ltd (the "Company") and its subsidiaries for 9MFY2018 which were released by the Company on SGXNET on 13 February 2018 (the "9MFY2018 Results")

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 6 April to the shareholders of the Company (the "Circular").

On 11 January 2018, OCBC Bank announced, for and on behalf of THSC Investments Pte. Ltd. (the "Offeror"), inter alia, that subject to and contingent upon the satisfaction of the Pre-Conditions, the Offeror intends to make a voluntary conditional cash offer (the "Offer") for all the issued and paid-up ordinary shares (the "Shares") in the capital of the Company, other than those Shares already held by the Company as treasury shares and those Shares already held, directly or indirectly, by the Offeror as at the date of the Offer.

On 9 March 2018, OCBC Bank, for and on behalf of the Offeror, announced, inter alia, that the Pre-Conditions have been satisfied and accordingly, the Offeror announced its firm intention to make the Offer.

This letter has been prepared for inclusion in the Circular in relation to the Offer.

We have examined the 9MFY2018 Results and have discussed the same with the management of the Company who were responsible for its preparation. We have also considered the "Report on review of Condensed Consolidated Interim Financial Information" dated 9 March 2018 prepared by KPMG LLP, being the auditor of the Company. Based on the above, we are of the opinion that the 9MFY2018 Results have been made by the Company after due and careful enquiry.

For the purpose of this letter, we have relied on and assumed the accuracy and completeness of all information provided to us and/or discussed with us by the Company. Save as provided in this letter, we do not express any other opinion or views on the 9MFY2018 Results.

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

Yours faithfully

For and on behalf of

Australia and New Zealand Banking Group Limited, Singapore Branch

A handwritten signature in blue ink, appearing to read 'Ben Gledhill'.

Ben Gledhill
Head of Corporate Advisory, Asia

ANZ Corporate Advisory

10 Collyer Quay, #22-09 Ocean Financial Centre, Singapore 049315

Australia and New Zealand Banking Group Limited ACDR 925 357 522 | Singapore Registration Number F00028398

APPENDIX 11

SIGNIFICANT ACCOUNTING POLICIES OF THE GROUP FOR FY2017

The significant accounting policies of the Group for FY2017 which are set out below have been reproduced from the annual report of the Company for FY2017.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 5 – consolidation: whether the Group has de facto control over an investee.
- Note 6 and Note 7 – classification of associates and joint arrangement;
- Note 29 – lease classification

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Note 4 – useful lives, residual values and impairment of property, plant and equipment;
- Note 5 – assumptions of recoverable amounts relating to investment in subsidiaries;
- Note 6 – assumptions of recoverable amounts relating to investment in associates;
- Note 10 – assumptions of recoverable amounts relating to goodwill impairment;
- Note 12 – assessment of allowance for inventory obsolescence;
- Note 13 – assessment of the recoverability of trade receivables;
- Note 23 – income taxes; and
- Note 27 – valuation of financial instruments.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is 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 (with Level 3 being the lowest).

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 19 – share-based payment; and
- Note 27 – financial instruments.

2 BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except 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 April 2016. The adoption of these standards did not have material impact on the financial performance or position of the Group and the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the date of acquisition, which is the date on which control is transferred to the Group.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus

if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Business combinations (cont'd)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date at fair value or, when applicable, on the basis specified in another FRS.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Investments in associates and joint ventures (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control, or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the following differences which are recognised in the other comprehensive income arising on the retranslation of:

- available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent that the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 April 2005 are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the end of the reporting period. For acquisitions prior to 1 April 2005, the exchange rates at the date of acquisition were used.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (currency translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off, such that control, significant influence or joint control is lost, the cumulative amount in the currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the currency translation reserve in equity.

3.3 Financial instruments

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they originate. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables, including finance lease receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

Finance lease receivables

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. For those financial assets where there is no active market and where fair value cannot be measured reliably, they are measured at cost. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3.7) and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise financial liabilities and trade and other payables.

Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Group that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When the financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantees is transferred to profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Convertible redeemable preference shares

Convertible redeemable preference shares are classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

Convertible redeemable preference shares are classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

Distribution of non-cash assets to owners of the Company

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is re-measured at each reporting date and at the settlement dates with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transactions, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Compound financial instruments

Compound financial instruments issued by the Group comprise convertible redeemable preference shares denominated in Singapore dollars that can be converted to share capital at the option of the holder, where the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest and gains and losses related to the financial liability component are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be 'highly effective' in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 – 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Derivative financial instruments, including hedge accounting (cont'd)

Derivatives are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the non-financial item affects profit or loss. In other cases as well, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

Recognition and measurement (cont'd)

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

Depreciation (cont'd)

The estimated useful lives for the current and comparative years are as follows:

• Freehold properties	50 years
• Leasehold properties	Over the terms of the leases between 25 to 43 years
• Plant and machinery	10 to 20 years
• Furniture, fittings, office and workshop equipment	3 to 5 years
• Motor vehicles	5 years
• Vessels	12 years

No depreciation is provided on assets under construction.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see note 3.1 – *Business combinations*.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates and joint ventures.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Intangible assets (cont'd)

Research and development (cont'd)

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

- Computer software 3 years
- Capitalised development costs 10 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Inventories

Inventories held for resale are stated at the lower of cost (principally specific identification and weighted average cost method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

Cost of machinery and equipment is determined on specific identification cost basis. Cost of spare parts is calculated using weighted average cost basis.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate and joint venture, is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers on the group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised then the previously recognised impairment loss is reversed through profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

Available-for-sale financial assets

Impairment losses on available-for-sale equity financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Associates and joint ventures

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 3.7 (ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

Non-financial assets (cont'd)

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.8 Non-current assets held for sale

Non-current assets that are highly probable to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Plant and equipment once classified as held for sale are not amortised or depreciated.

3.9 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Employee benefits (cont'd)

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Long service leave

The liability for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employee's services provided up to the reporting date.

In determining the provision for long service leave, consideration has been given to future increases in wage and salary rates, expired settlement dates and experience with staff departures. Related on-costs, as described above, have also been included in the liability.

Provision for employee entitlements which are not expected to be settled within twelve months are discounted using the rates attached to certain government securities at the reporting date, which most closely match the terms of maturity of the related liabilities.

Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The liability is re-measured at each reporting date and at settlement date based on the fair value of the share appreciation rights. Any changes in the fair value of the liability are recognised as employee benefits expense in profit or loss.

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Employee benefits (cont'd)

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

3.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance expense.

Warranties

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Reinstatement costs for leased property

A provision for reinstatement costs for leased property is recognised when an underlying make good obligation clause exists in property lease contracts.

The provision is the best estimate of the present value of the expenditure required to settle the make good obligation at the reporting date, based on current legal requirements and technology. Future make good costs are reviewed annually and any changes are reflected in the present value of the make good provision at the end of the reporting period.

The unwinding of the discount is recognised as finance expense.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Revenue

Rental income

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

Sale of equipment, machinery and spare parts

Revenue from sale of equipment, machinery and spare parts are recognised upon the delivery to the customer which is taken to be the point in time when the significant risks and rewards of ownership have been transferred to the customer. Revenue excludes goods and services taxes and is arrived at after deduction of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

3.12 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

3.13 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Lease payments (cont'd)

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- The fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- The arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.14 Finance income and finance expense

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance expense comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss, and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.15 Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Income tax expense (cont'd)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group will be able to control the timing of the reversal of the temporary difference and that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary and convertible redeemable preference shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary and convertible redeemable preference shareholders of the Company by the weighted average number of ordinary and convertible redeemable preference shares outstanding during the year, adjusted for its own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary and convertible redeemable preference shareholders and weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise warrants issued and share options granted to employees.

3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

APPENDIX 12

RELEVANT EXTRACTS FROM THE COMPANY'S CONSTITUTION

All capitalised terms used in the following extracts shall have the same meanings as those given to them in the Constitution, a copy of which is available for inspection at the registered office of the Company at 82 Ubi Avenue 4, #05-01 Edward Boustead Centre, Singapore 408832 during normal business hours for the period during which the Offer remains open for acceptance.

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

(i) The rights of Shareholders in respect of capital

"4. *The Company shall have power to increase or reduce its capital, to consolidate or subdivide the shares into shares of larger or smaller amounts, and to divide the shares forming the capital (original, increased or reduced) of the Company into several classes, and to attach thereto respectively preferential, deferred or special rights, privileges or conditions as may be determined by or in accordance with the Constitution for the time being of the Company and to issue additional capital with any such rights, privileges or conditions as aforesaid.*

(6) *Subject to the Act and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in general meeting but subject thereto and to Regulation 65(1), and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit. Any such shares may be issued in such denominations or 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.*

*Issue of
shares*

Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the Exchange's listing rules, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as far as circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined. After the expiration of the aforesaid 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 a manner as they think most beneficial to the Company. The Directors may likewise dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this provision.

Notwithstanding the generality of the foregoing, 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 issue shares whether by way of rights, bonus or otherwise and/or 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 (notwithstanding that the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force.

Provided Always That the foregoing is subject to the following:

- (a) the aggregate number of shares to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution) shall be subject to such limits and manner of calculation as may be prescribed by the listing rules of the Exchange;*
- (b) in exercising the authority conferred by the ordinary resolution, the Company shall comply with the provisions of the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and this Constitution; and*
- (c) (unless revoked or varied by the Company in general meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the annual general meeting of the Company next following the passing of the ordinary resolution, or the date by which such annual general meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).*

- | | |
|--|--|
| <p><i>(6A) The Company may issue shares for which no consideration is payable to the Company.</i></p> | <p><i>Issue of shares for no consideration</i></p> |
| <p><i>(7) Without prejudice to any special rights or privileges attached to any then existing shares, new shares may be issued upon such terms and conditions, and with such rights and privileges attached thereto, as the Company by ordinary resolution may direct, or, if no such direction be given, as the Directors shall determine, and in particular such shares may be issued with preferential, qualified or deferred right to dividends and in the distribution of assets of the Company, and with a special or restricted right of voting, and preference shares may be issued on the terms that it are, or at the option of the Company are, to be liable to be redeemed. The rights attached to any such shares issued upon special conditions shall be clearly defined in this Constitution.</i></p> | <p><i>Creation of special rights</i></p> |

- (8) (1) *Preference shares may be issued subject to such limitation thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company. The total number of issued preference shares shall not exceed the total number of issued ordinary shares at any time.*
- 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.*
- (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.*
- (3) *The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold and/or deal with its treasury shares in any manner authorised or prescribed by the Act.*
- (9) *If at any time the share capital is divided into different classes, the rights attached to any class must be expressed and (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 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.*

Rights attached to preference shares

Issue of further preference shares

Exercise of rights in respect of treasury shares

Variation of rights of shares

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 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 person, the necessary quorum shall be one person and such holder of shares of the class present in person or by proxy or by attorney may demand a poll.*

- | | | |
|------|---|---|
| (10) | <i>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.</i> | <i>Variation of rights of preference shareholders</i> |
| (11) | <i>The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution, be deemed to be varied by the creation or issue of further shares ranking equally therewith.</i> | <i>Issue of further shares affecting special rights</i> |
| (12) | <i>If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.</i> | <i>Payment of instalments</i> |
| (13) | <i>The Company may pay such commissions or brokerage as may be lawful on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Any such commission or brokerage may be paid in whole or in part in cash or fully or partly paid shares or partly in one way and partly in another as may be arranged.</i> | <i>Payment of Commission</i> |
| (14) | <i>Save to the extent permitted by the Act or the listing rules of the Exchange, no part of the funds of the Company shall, directly or indirectly, be employed in the purchase of or subscription for or making of loans upon the security of any shares. The Company shall not give any financial assistance for the purpose of or in connection with the purchase of or subscription for any shares or its holding company, if any. Nothing in this Regulation shall prohibit transactions mentioned in Sections 76(8), 76(9) and 76(10) of the Act.</i> | <i>Prohibition against financial assistance</i> |
| (15) | <i>Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, and, subject to the conditions and restrictions mentioned in Section 78 of the Act, may charge the same to capital as part of the cost of the construction of the works or building or the provision of the plant.</i> | <i>Power to charge interest on capital</i> |
| (16) | <i>Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to</i> | <i>Company need not recognise trust</i> |

the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share. Nothing contained in this Regulation relating to the Depository or the Depositors or in any depository agreement made by the Company with any common depository for shares or in any notification of substantial shareholding to the Company or in response to a notice pursuant to Section 92 of the Act or any note made by the Company of any particulars in such notification or response shall derogate or limit or restrict or qualify these provisions; and any proxy or instructions on any matter whatsoever given by the Depository or Depositors to the Company or the Directors shall not constitute any notification of trust and the acceptance of such proxies and the acceptance of or compliance with such instructions by the Company or the Directors shall not constitute the taking of any notice of trust.

- | | | |
|-------------|---|--|
| <p>(17)</p> | <p><i>Shares must be allotted and certificates despatched within ten (10) Market Days of the final closing date for an issue of shares unless the Exchange shall agree to an extension of time in respect of that particular issue. The Depository must despatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within ten (10) Market Days after lodgement of any transfer. Every registered shareholder shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed S\$2/-. Where a registered shareholder transfers only part of the shares comprised in a certificate or where a registered shareholder requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof, the registered shareholder shall pay a fee not exceeding S\$2/-(or such other sum as may be approved by the Exchange from time to time) for each such new certificate as the Directors may determine. Where the Member is a Depositor the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.</i></p> | <p><i>Entitlement to share certificate</i></p> |
| <p>(18)</p> | <p><i>The retention by the Directors of any unclaimed share certificates (or stock certificates as the case may be) shall not constitute the Company a trustee in respect thereof. Any share certificate (or stock certificate as the case may be) unclaimed after a period of six (6) years from the date of issue of such share certificate (or stock certificate as the case may be) may be forfeited and if so shall be dealt with in accordance with this Constitution mutatis mutandis.</i></p> | <p><i>Retention of certificate</i></p> |

- | | | |
|------|---|---|
| (21) | <i>Where two (2) or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:</i> | <i>Joint holders deemed holding as joint tenants</i> |
| (a) | <i>The Company shall not be bound to register more than three persons as the holders of any share, except in the case of executors or administrators of the estate of a deceased Member. The Company shall not be bound to issue more than one certificate for a share held by joint holders and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all such holders.</i> | <i>Limited to 3 joint holders</i> |
| (b) | <i>The joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share.</i> | <i>Jointly and severally liable</i> |
| (c) | <i>On the death of any one of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they may deem fit.</i> | <i>Survivorship</i> |
| (d) | <i>Any one of such joint holders may give effectual receipts for any dividend payable to such joint holders.</i> | <i>Receipts</i> |
| (e) | <i>Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.</i> | <i>Entitlement to delivery of share certificates and notice</i> |
| (31) | <i>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.</i> | <i>Renunciation of allotment</i> |
| (60) | <i>The Company in general meeting may convert any paid up shares into stock and may from time to time reconvert such stock into paid up shares.</i> | <i>Conversion from share to stock and back to share</i> |
| (61) | <i>When any shares have been converted into stock, the 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 default of any such direction (then in the same manner) and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances will admit). But the Directors may if they think fit from time to time fix the minimum amount of stock transferable.</i> | <i>Transfer of stock</i> |
| (62) | <i>When any shares have been converted into stock, the holders of such stock shall be entitled to participate in the dividends and profits of the Company according to the number of stock units held by them and such interests shall, in proportion to the number thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so</i> | <i>Rights of stock-holders</i> |

that none of such privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any such number of stock units which would not, if existing in shares, have conferred such privileges or advantages and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

- | | | |
|------|--|---|
| (63) | <i>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'.</i> | <i>Interpretation</i> |
| (64) | <i>The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting resolving upon the creation thereof shall direct, and if no direction be given, as the Directors shall determine, and in particular, such new shares may be issued with a preferential or qualified right to dividends and in the distribution of the assets of the Company and with a special or restricted right of voting.</i> | <i>Rights of new shares</i> |
| (65) | <p><i>(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, all new shares shall before issue be offered to the Members in proportion, as nearly 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, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Regulation.</i></p> <p><i>(2) Notwithstanding Regulation 65 (1) above but subject to the Act, the Directors shall not be required to offer any new shares to Members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.</i></p> | <i>Issue of new shares</i> |
| (66) | <i>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 and 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.</i> | <i>Capital raised deemed original capital</i> |

- | | | |
|------|--|--|
| (67) | <p>(1) <i>The Company may by ordinary resolution:</i></p> <p style="margin-left: 40px;">(a) <i>consolidate and divide all or any of its shares; or</i></p> <p style="margin-left: 40px;">(b) <i>subdivide its shares or any of them (subject nevertheless to the provisions of the Act) Provided Always That in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or</i></p> <p style="margin-left: 40px;">(c) <i>subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency in accordance to Section 73 of the Act.</i></p> | <p><i>Power to consolidate, cancel and sub-divide shares</i></p> |
| (2) | <p><i>The Company may by Special Resolution subject to and in accordance with the Act, convert any class of shares into another class of shares.</i></p> | <p><i>Power to convert shares</i></p> |
| (3) | <p><i>Subject to and in accordance with the provisions of the Act, the listing rules of the Exchange and any applicable legislation or regulation, the Company may authorise the Directors in general meeting to purchase or otherwise acquire any of its 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. Any shares purchased or otherwise acquired by the Company shall, unless held by the Company as treasury shares in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On cancellation of any share in accordance with the provisions of the Act, 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.</i></p> | <p><i>Power to purchase or acquire shares</i></p> |
| (68) | <p><i>The Company may by special resolution reduce its share capital or any other undistributable reserve, in any manner, subject to any requirements and consents required by law. Without prejudice to the generality of the foregoing, upon the cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution or the Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.</i></p> | <p><i>Reduction of share capital</i></p> |

(170) (1) *The Directors may, with the sanction of the Company by way of an ordinary resolution, including any ordinary resolution passed pursuant to Regulation 6:*

Power to capitalise profits and/or to capitalise reserves for share-based incentive plans and Directors' remuneration

(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) 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 6) such other date as may be determined by the Directors,*

in proportion to their then holdings of shares; and

(b) *capitalise any sum for the time being standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of the financial statements by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) 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 6) 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 unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

(2) *The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under Regulation 170(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter, on behalf of all the Members interested, into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*

- (3) *In addition and without prejudice to the powers provided for by Regulations 170(1) and 170(2), the Directors shall have the 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 non-cumulative 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 unissued 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 shareholders in general meeting in such manner 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 approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.”*

(ii) The rights of Shareholders in respect of dividends

- | | |
|--|--|
| <p>“(21) <i>Where two (2) or more persons are registered as the holders of any share, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:</i></p> | <p><i>Joint holders deemed holding as joint tenants</i></p> |
| <p>(a) <i>The Company shall not be bound to register more than three persons as the holders of any share, except in the case of executors or administrators of the estate of a deceased Member. The Company shall not be bound to issue more than one certificate for a share held by joint holders and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all such holders.</i></p> | <p><i>Limited to 3 joint holders</i></p> |
| <p>(b) <i>The joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share.</i></p> | <p><i>Jointly and severally liable</i></p> |
| <p>(c) <i>On the death of any one of such joint holders the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they may deem fit.</i></p> | <p><i>Survivorship</i></p> |
| <p>(d) <i>Any one of such joint holders may give effectual receipts for any dividend payable to such joint holders.</i></p> | <p><i>Receipts</i></p> |
| <p>(e) <i>Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.</i></p> | <p><i>Entitlement to delivery of share certificates and notice</i></p> |

- (33) *In the case of the death of a Member, the survivors or survivor where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased shareholder from any liability in respect of any share solely or jointly held by him.* *Transmission on death of Member*
- (34) *In the case of the death of a Depositor, the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder and where such legal representatives are entered in the Depository Register in respect of any shares of the deceased, shall be the only persons recognised by the Company as having any title to his interests in the share; but nothing herein contained shall release the estate of a deceased Depositor (whether sole or joint) from any liability in respect of any share held by him.* *Transmission on death of Depositor*
- (35) (1) *Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member or by virtue of a vesting order by a court of competent jurisdiction and recognised by the Company as having any title to that share may, upon producing such evidence of title as the Directors shall require, be registered as a holder of the share upon giving to the Company notice in writing or transfer such share to some other person. If the person so becoming entitled shall elect to be registered himself, he shall send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member. The Directors shall have, in respect of a transfer so executed, the same power of refusing registration as if the event upon which the transmission took place had not occurred, and the transfer were a transfer executed by the person from whom the title by transmission is derived.* *Person becoming entitled on death or bankruptcy of Member may be registered*
- (2) *The Directors may at any time give notice requiring any such person to elect whether to be registered himself as a Member in the Register of Members or, (as the case may be), entered in the Depository Register in respect of the share or to transfer the share and if the notice is not complied with within 60 days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.* *Notice to register to unregistered executors and trustees*
- (36) *A person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of any Member shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right to receive notice of or to attend or vote at meetings of the Company, or (save as* *Rights of unregistered executors and trustees*

aforesaid) to any of the rights or privileges of a Member in respect of the share, unless and until he shall be registered as the holder thereof; Provided Always That the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within sixty (60) days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

- | | | |
|------|---|--|
| (43) | <i>The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate not exceeding without the sanction of the Company in general meeting ten per cent (10%) per annum as the Member paying such sum and the Directors agree upon. Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide.</i> | <i>Payment in advance of calls</i> |
| (44) | <i>If a Member fails to pay the whole or any part of any call or instalment of a call on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest and expenses which may have accrued by reason of such non-payment.</i> | <i>Notice requiring payment of unpaid calls</i> |
| (45) | <i>The notice shall name a further day (not earlier than the expiration of ten (10) days from the date of service of the notice) on or before which the payment required by the notice is to be made. It shall also name the place where payment is to be made and shall state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.</i> | <i>Notice to state time and place of payment</i> |
| (46) | <i>If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. The Directors may cancel the forfeiture of a share under this Regulation 46 on any terms and conditions as it determines at any time before it disposes of the share pursuant to Regulation 50.</i> | <i>Forfeiture of shares for non-compliance with notice</i> |
| (47) | <i>A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture notwithstanding that they shall have been declared.</i> | <i>Forfeiture to include all dividends</i> |

- (55) (a) *The Company shall have a first and paramount lien and charge on all the shares not fully paid up registered in the name of a Member (whether solely or jointly with others) and all dividends from time to time declared. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may, at any time, exempt a share from the provisions of this Regulation 55 to the extent and on any terms and conditions that they determine.* Company's
lien
- (b) *Where at any time the law of any jurisdiction imposes or purports to impose any immediate, future or possible liability on the Company, or empowers or purports to empower any person to require the Company to make any payment, on account of a Member or referable to a Share held by that Member (whether alone or jointly) or a Dividend declared in respect of a Share held by that Member, the Company:* Lien on
payments
required to be
made by the
Company
- (i) *is fully indemnified by that Member from that liability;*
- (ii) *may recover as a debt due from the Member the amount of that liability together with interest at the rate of ten per cent (10%) per annum from the date of payment by the Company (if the payment is made) to the date of repayment by the Member; and*
- (iii) *if to do so is not contrary to the Act or the listing rules of the Exchange, may refuse to register a transfer of any share by that Member until the amount of that liability has been paid to the Company.*
- and nothing in this Regulation in any way prejudices or affects any right or remedy which the Company may have (including, without limitation, any right of set-off) and, between the Company and the Member, any such right or remedy as is enforceable by the Company.*
- (62) *When any shares have been converted into stock, the holders of such stock shall be entitled to participate in the dividends and profits of the Company according to the number of stock units held by them and such interests shall, in proportion to the number thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so that none of such privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any such number of stock units which would not, if existing in shares, have conferred such privileges or advantages and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.* Rights of
stock-holders

- (159) *Subject to any right or privileges for the time being attached to any shares having preferential, deferred or other special rights in regard to dividends and except as otherwise permitted under the Act, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares in proportion to the number of shares held by a Member, but where shares are partly paid, all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid Subject to any right or privileges for the time being attached to any shares having preferential, deferred or other special rights in regard to dividends and except as otherwise permitted under the Act, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares in proportion to the number of shares held by a Member, but where shares are partly paid, all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares. For the purposes of this Regulation only, no amount paid or credited as paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly.*
- Apportionment of dividends*
- (160) *The Directors may before recommending any dividend set aside out of the profits of the Company such sum or sums as they think proper as a reserve fund which shall at the discretion of the Directors be applicable for meeting contingencies, for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining any works connected with the business of the Company or shall be as to the whole or in part applicable for special dividends or for equalising dividends or for distribution by way of special dividend or bonus on such terms and in such manner as the Directors shall from time to time determine and the Directors may divide the reserve fund into separate funds for special purposes and may invest the sums from time to time carried to the credit of such fund or funds upon such securities (other than the share) as they may select.*
- Power to set aside profits as reserve*
- (161) *The Directors may, with the sanction of a general meeting, from time to time declare dividends, but no such dividend shall (except as by the Statutes expressly authorised) be 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 position of the Company justifies such payment, without any such sanction as aforesaid, from time to time declare and pay an interim dividend, or pay any preferential dividend on shares issued upon the terms that the preferential dividends thereon shall be payable on fixed dates. 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 persons registered as the holders of such shares in the*
- Declaration and payment of dividends*
- Interim dividends*

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.

- (162) *With the sanction of a general meeting, dividends may be paid wholly or in part in specie, and may be satisfied in whole or in part by the distribution amongst the Members in accordance with their rights of fully paid shares, stock or debentures of any other company, or of any other property suitable for distribution as aforesaid. The Directors shall have full liberty to make all such valuations, adjustments and arrangements, and to issue all such certificates or documents of title as in their opinion may be necessary or expedient with a view to facilitating 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, and no valuation, adjustment or arrangement so made shall be questioned by any Member.*
- Payment of dividends in specie*
- (162A) (A) *Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:*
- (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 ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;*
 - (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 any specific*

case, that such right shall be exercisable in respect of the whole or any part of that portion;

- (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 ordinary shares in respect whereof the share election has been duly exercised (the “elected ordinary shares”) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Regulation 170, the Directors shall capitalise and apply the amount standing to the credit of the Company’s reserve accounts as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.*
- (B) (a) The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Regulation shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*

(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 (A) of this Regulation, with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in these Regulations, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down).
- (C) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Regulation, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register or (as the case maybe) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors may think fit, and in such event the provisions of this Regulation shall be read and construed subject to such determination.*
- (D) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Regulation, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to members*

whose registered addresses entered in the Register or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.

- (E) *Notwithstanding the foregoing provisions of this Regulation, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Regulation in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of paragraph (A) of this Regulation.*

- | | |
|--|--|
| (163) <i>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).</i> | <i>No right to dividends where calls outstanding</i> |
| (164) <i>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.</i> | <i>Deduction from debts due to Company</i> |
| (165) <i>A transfer of a share shall not pass the right to any dividend declared in respect thereof before the transfer has been registered.</i> | <i>Effect of transfer of shares</i> |
| (166) (a) <i>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.</i> | <i>Retention of dividends</i> |
| (b) <i>The Directors may retain any dividend payable upon shares in respect of which any person is, under the provisions as to the transmission of shares hereinbefore contained, entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.</i> | |
| (167) <i>Any dividend, instalment of dividend or interest in respect of any share may be paid by cheque or warrant payable to the order of the Member entitled thereto, or (in the case of joint holders) of that Member whose name stands first on the Register of Members in respect of the joint holding. Every such cheque or warrant shall</i> | <i>Dividend paid by cheque or warrant</i> |

(unless otherwise directed) be sent by post to the last registered address of the Member entitled thereto, and the receipt of the person whose name appears on the Register of Members as the owner of any share, or in the case of joint holders, of any one of such holders, or of his or their agent duly appointed in writing, shall be a good discharge to the Company for all dividends or other payments made in respect of such share. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

- | | |
|---|---|
| <p>(168) <i>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 unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six (6) years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.</i></p> | <p><i>Unclaimed dividends</i></p> |
| <p>(169) <i>No unpaid dividend or interest shall bear interest as against the Company.</i></p> | <p><i>No interest on unpaid dividends</i></p> |
| <p>(170) (1) <i>The Directors may, with the sanction of the Company by way of an ordinary resolution, including any ordinary resolution passed pursuant to Regulation 6:</i></p> <p style="margin-left: 40px;">(a) <i>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) the Depository Register at the close of business on:</i></p> <p style="margin-left: 80px;">(i) <i>the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or</i></p> <p style="margin-left: 80px;">(ii) <i>(in the case of an ordinary resolution passed pursuant to Regulation 6) such other date as may be determined by the Directors,</i></p> <p style="margin-left: 40px;"><i>in proportion to their then holdings of shares; and</i></p> <p style="margin-left: 40px;">(b) <i>capitalise any sum for the time being standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of the financial statements by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:</i></p> <p style="margin-left: 80px;">(i) <i>the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or</i></p> | <p><i>Power to capitalise profits and/or to capitalise reserves for share-based incentive plans and Directors' remuneration</i></p> |

- (ii) *(in the case of an ordinary resolution passed pursuant to Regulation 6) 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 unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

- (2) *The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under Regulation 170(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter, on behalf of all the Members interested, into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*

- (3) *In addition and without prejudice to the powers provided for by Regulations 170(1) and 170(2), the Directors shall have the 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 non-cumulative 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 unissued 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 shareholders in general meeting in such manner 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 approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit."*

(iii) The rights of Shareholders in respect of voting

- "(8) (1) *Preference shares may be issued subject to such limitation thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of*

*Rights
attached to
preference
shares*

notices, reports and balance sheets and attending general meetings of the Company. The total number of issued preference shares shall not exceed the total number of issued ordinary shares at any time.

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.

- (9) *If at any time the share capital is divided into different classes, the rights attached to any class must be expressed and (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 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.*

*Variation of
rights of
shares*

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 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 person, the necessary quorum shall be one person and such holder of shares of the class present in person or by proxy or by attorney may demand a poll.*
- (10) *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.*

*Variation of
rights of
preference
shareholders*

- (36) *A person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of any Member shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right to receive*

*Rights of
unregistered
executors and
trustees*

notice of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a Member in respect of the share, unless and until he shall be registered as the holder thereof; Provided Always That the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within sixty (60) days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

- | | | |
|------|---|---|
| (62) | <i>When any shares have been converted into stock, the holders of such stock shall be entitled to participate in the dividends and profits of the Company according to the number of stock units held by them and such interests shall, in proportion to the number thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so that none of such privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any such number of stock units which would not, if existing in shares, have conferred such privileges or advantages and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.</i> | <i>Rights of stock-holders</i> |
| (69) | <i>Save as otherwise permitted under the Act, the Company shall in each calendar year hold a general meeting as its annual general meeting in addition to any other meetings in that year and shall specify the meeting as such in the notices calling it. Not more than fifteen (15) months shall elapse between the date of one annual general meeting and that of the next; Provided Always That so long as the Company holds its first annual general meeting within eighteen (18) months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the Directors shall appoint.</i> | <i>Annual general meetings</i> |
| (70) | <i>All general meetings other than annual general meetings shall be called extraordinary general meetings.</i> | <i>Extraordinary general meetings</i> |
| (71) | <i>The Directors may whenever they think fit convene an extraordinary general meeting and an extraordinary general meeting shall also be convened on such requisition or in default may be convened by such requisitionist as provided for by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of action to form a quorum at a meeting of Directors, any Director or any two (2) Members may convene an extraordinary general meeting in the same manner as nearly as possible as that in which such a meeting may be convened by the Directors.</i> | <i>Calling for extraordinary general meetings</i> |
| (72) | <i>The time and place of any meeting shall be determined by the convenors of the meeting. If required by the listing rules of the Exchange, all general meetings shall be held in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation.</i> | <i>Time and place of meeting</i> |

(73)	<i>Any annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one (21) days' notice in writing at the least and an annual general meeting or any other extraordinary general meeting, by fourteen (14) days' notice in writing at the least. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such businesses. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the general meeting is to be held. The notice must specify the place, the day and the hour of meeting, and in the case of special business the general nature of such business, shall be given in the manner hereinafter mentioned to such persons as are under the provisions of this Constitution entitled to receive notices of general meetings from the Company, but with the consent of all persons for the time being entitled as aforesaid, a meeting may be convened in such manner as such persons may approve</i>	<i>Length of notice</i> <i>Contents of notice</i>
	<i>Provided Always That a general meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:</i>	<i>Shorter notice</i>
	<i>(a) in the case of an annual general meeting by all the Members entitled to attend and vote thereat; and</i> <i>(b) in the case of an extraordinary general meeting by that number or majority in number of the Members having a right to attend and vote thereat as is required by the Act.</i>	
	<i>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.</i>	<i>Accidental omission</i>
	<i>The notice shall be exclusive of the day on which it is served or deemed to be served and the day on which the meeting is to be held.</i>	
	<i>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 and to each stock exchange upon which the Company is listed.</i>	
	<i>Where notice of a general meeting has been given, the Directors may, upon giving notice to all persons entitled to be given notice of the general meeting, postpone or cancel the general meeting.</i>	<i>Cancellation or postponement of meeting</i>
(74)	<i>Notice of every general meeting shall be given in any manner authorised by this Constitution to:</i>	<i>Form of notice and to whom to be given</i>
	<i>(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;</i>	

(b) every Director; and

(c) the auditor of the Company, without prejudice to Regulation 180.

No other person shall be entitled to receive notices of general meetings; Provided Always That if the meeting be called for the alteration of the objects of the Company, the provisions of Section 33 of the Act regarding notices to debenture holders shall be complied with.

- | | | |
|------|---|--|
| (75) | <i>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 a proxy need not be a Member.</i> | <i>Notice to state that Member can appoint proxy</i> |
| (76) | <i>All business shall be deemed special that is transacted at an extraordinary general meeting and also all that is transacted at an annual general meeting with the exception of the consideration of the financial statements, balance sheets and reports (if any) of the Directors and Auditor of the Company, the election of Directors in place of those retiring by rotation or otherwise, the fixing of the remuneration of Directors, the declaration of dividends, and the appointment of and the fixing of the remuneration of the Auditor of the Company, which shall be deemed routine business. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.</i> | <i>All business deemed special business</i> |
| (77) | <i>In the case of any general meeting, if any resolution is to be proposed as a special resolution or as requiring special notice, the notice shall contain a statement to that effect.</i> | <i>Notice to specify nature of special business</i> |
| (78) | <i>No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. 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 shall be deemed to be personally present if represented in accordance with the provisions of Section 179(3) of the Act but shall, as required by the Act, exclude the Company where it is a Member by reason of its holding of treasury shares. 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 proxy such proxies shall count as only one Member for the purpose of determining the quorum.</i> | <i>Quorum</i> |
| (79) | <i>If within fifteen (15) minutes from the time appointed for the holding of a general meeting 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 at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen (15) minutes from the time appointed for holding the meeting, the meeting shall be dissolved.</i> | <i>Adjournment if quorum not present</i> |

- (80) *The Chairman (if any) of the Board shall preside as Chairman at every general meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen (15) minutes after the time appointed for holding the same, or shall be unwilling to act as Chairman, the Members present shall choose some Director, or if no Director be present, or if all the Directors present decline to take the chair, one of themselves to be Chairman of the meeting.* Chairman
- (81) *The Chairman 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 and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for fifteen (15) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.* Adjournment by chairman
- (82) *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 such stock exchange). Subject to the foregoing, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless, subject to Regulation 87, a poll is (before or on the declaration of the result of the show of hands) demanded:* Mandatory polling and method of voting
- (a) *by the Chairman of the meeting; or*
 - (b) *by at least two (2) Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative and entitled to vote thereat; or*
 - (c) *by any Member or Members present in person or by proxy (where a Member has appointed more than one 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 not less than five (5) per cent. of the total voting rights (excluding treasury shares) of all the Members having the right to vote at the meeting; or*
 - (d) *by any Member or Members present in person or by proxy (where a Member has appointed more than one 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 (excluding treasury shares) on which an aggregate sum has been paid up equal to not less than five (5) per cent. of the total sum paid up on all the shares conferring that right.*

Where a resolution is determined by a show of hands:

- (a) *a declaration by the chairman of the general meeting that the resolution has been carried, carried unanimously, carried without dissent, carried by a particular majority or lost is conclusive evidence of the fact so declared without proof of the number or proportion of votes cast for or against that resolution; and*
 - (b) *an entry in the book containing the minutes of that general meeting recording that declaration is conclusive evidence of the fact that the declaration was made as so recorded.*
-
- (83) *In the case of an equality of votes whether on a show of hands or on a poll as aforesaid, the Chairman shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled as a Member or as a proxy of a Member.*

Equality of votes
 - (84) *If a poll is demanded as aforesaid, it shall be taken in such manner and at such time and place as the Chairman of the meeting directs 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 demanded. 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 Chairman shall determine the same and such determination made in good faith shall be final and conclusive.*

Time for taking a poll
 - (85) *If a poll is duly demanded (and the demand is not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may (and if required by the listing rules of the Exchange or if so directed by the meeting, shall) appoint at least one (1) scrutineer who shall be independent of the persons undertaking the polling process and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.*

Method of taking poll
 - (86) *The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.*

Continuance of business
 - (87) *Notwithstanding Regulation 82, no poll shall be demanded on the election of a Chairman of a meeting or on a question of adjournment.*

No poll
 - (88) *Subject to the provisions of the Act, a resolution in writing signed by every Member entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an ordinary resolution of the Company passed at a general meeting duly convened, held and constituted, and may consist of several documents in the like form, each signed by one or more of such Members. The expressions 'in writing' and 'signed' include approval by telefax by any such Member.*

Resolutions in writing

- (89) *If at any general meeting any votes shall be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the vote unless it be pointed out at the same meeting, and be in the opinion of the Chairman of sufficient magnitude to vitiate the result of the voting.* *Error in counting votes*
- (90) *The Members may 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 or, if there is no such group, where the Chairman of the meeting is present.* *Meetings via electronic means*
- (91) (1) *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, 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 vote need not use all his votes or cast all the votes he uses in the same way.* *Voting rights of Members*
- (2) *On a show of hands every Member who is present in person or by proxy or attorney, or in the case of a corporation by a representative, shall have one vote Provided Always That:*
- (a) *in the case of a Member who is not a relevant intermediary and is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the Chairman 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*
- (b) *in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.*
- (3) *On a poll, every Member who is present in person or by proxy, attorney or representative shall have one vote for each share which he holds or represents.*
- (4) *Notwithstanding anything contained in this Constitution, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register not later than seventy-two (72) hours before that general meeting (the 'cut-off time') as a Depositor on whose behalf the Depository holds shares. For the purpose of determining the number of votes which a Depositor or his proxy*

may cast on a poll, the Depositor or his proxy shall be deemed to hold or represent that number of shares entered in the Depositor's Securities Account at the cut-off time as certified by the Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account as at the cut-off time between two proxies, to apportion the said number of shares between the two proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares standing to the credit of that Depositor's Securities Account as at the cut-off time, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant general meeting, if the instrument is dealt with in such manner as aforesaid.

- | | | |
|------|--|---|
| (92) | If any Member be mentally disordered or incapable of managing himself or his affairs, he may vote by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy, 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. | Voting rights of Members who are mentally disordered and incapable of managing himself or his affairs |
| (93) | If two (2) or more persons are jointly entitled to a share 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 or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof. | Voting rights of joint holders |
| (94) | Save as herein expressly provided, 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 or to exercise any other right conferred by membership in relation to the general meetings. | Right to vote |
| (95) | Any instrument appointing a proxy shall be in writing in the common form approved by the Directors: | Instrument of proxy |
| | (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 or signed on its behalf by an attorney or a duly authorised officer of the corporation 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 Regulations 95(a)(ii) and 95(b)(ii), 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.

(95A) 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*

Directors may approve method and manner, and designate procedure, for electronic communications

as contemplated in Regulations 95(a)(ii) and 95(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(a)(i) and/or (as the case may be) Regulation 95(b)(i) shall apply.

(96) (1) A Member may appoint not more than two proxies to attend and vote at the same general meeting. A proxy or attorney need not be a Member.

Appointment of proxies

(2) Save as otherwise provided in the Act:

- (a) a Member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same general meeting. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and*
- (b) a Member who is a relevant intermediary may appoint more than two 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. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.*

- (3) *If the Member is a Depositor, the Company shall be entitled and bound:*
- Shares entered in Depository Register*
- (a) *to reject any instrument of proxy lodged by that Depositor if he is not shown to have any shares entered in its Securities Account as at the cut-off time (as defined in Regulation 91 (4)) as certified by the Depository to the Company;*
- (b) *to accept as validly cast by the proxy or proxies appointed by that Depositor on a poll that number of votes which corresponds to or is less than the aggregate number of shares entered in the Securities Account of that Depositor as at the cut-off time as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor; and*
- (4) *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.*
- Notes and instructions*
- (5) *Where a Member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.*
- (6) *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.*
- (7) *Where a Member appoints a proxy in respect of more shares than the shares standing to his name in the Register of Members, or in the case of a Depositor, standing to the credit of his Securities Account, such proxy may not exercise any of the votes or rights of shares not registered to the name of that Member in the Register of Members or standing to the credit of that Depositor's Securities Account as the case may be, as at the cut-off time.*
- (97) *An instrument appointing a proxy 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 and need not be witnessed; 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 97 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.*
- Instrument appointing proxy valid at adjourned meeting*

(98) *An instrument appointing a proxy:*

*Deposit of
instrument of
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.

*Directors may
specify means
for electronic
communications*

The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority shall be deposited at the Office or at such other place within Singapore as is specified for that purpose in the notice convening the meeting at least seventy-two (72) hours before the time appointed for holding the meeting or adjourned meeting as the case may be; otherwise the person so named shall not be entitled to vote in respect thereof unless the Directors otherwise determine.

The deposit of an instrument appointing a proxy does not preclude the Member concerned from attending and voting in person at the meeting, as well as for any adjournment of the meeting to which it relates. In such an event, the appointment of the proxy or proxies is deemed to be revoked by the Member concerned at the point when the Member attends the meeting. 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 98(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), Regulation 98 (a) shall apply.

- (99) *The instrument appointing a proxy shall be deemed to confer authority generally to act at the meeting for the Member giving the proxy.* *Instrument to confer authority*

Where it is desired to afford Members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit and shall be deemed to include the right to demand or join in demanding a poll:

Tat Hong Holdings Ltd

I/We, of being a Member/Members of the abovenamed company, hereby appoint, of, or failing him, of, as my/our proxy to vote for me/us on my/our behalf at the [annual or extraordinary, as the case may be] general meeting of the Company, to be held on the of, and at any adjournment thereof.

Signed this day of

**in favour of*

This form is to be used-----the resolution.

against

**Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit.)*

An instrument of proxy is not invalid or ineffective merely if any or all of the following applies:

- (i) it does not contain the address of the Member giving it;*
 - (ii) it does not contain the address of the person appointed by it;*
 - (iii) it is not dated; and*
 - (iv) it does not contain a direction to the appointee as to how to vote on any or all items of business.*
- (100) *Unless otherwise directed by the Chairman of the meeting, a vote given in accordance with the terms of an instrument of proxy shall be treated as valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given; Provided Always That no intimation in writing of such death, mental disorder, revocation or transfer as aforesaid shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.* *Intervening death or mental disorder of Member*

- (101) *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 shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purpose of this Constitution and subject to the Act, be deemed to be present in person at any such Meeting if a person so authorised is present thereat. 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.*
- Corporations acting via representative*
- (102) *No objection shall be raised to the qualification of any voter except at the Objections meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.*
- Objections*
- (122) *The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Directors who may exercise all such powers of the Company as are not by the Act or by this Constitution required to be exercised by the Company in general meeting subject nevertheless to the provisions of the Act and this Constitution.*
- Directors' general power to manage*
- Any sale or disposal by the Directors of the Company's main undertaking shall be subject to ratification by shareholders in a general meeting.*
- (150) *Subject to the Act and to the generality of Regulation 143, any resolution passed by the Directors notice whereof has been given to the Members in the manner in which notices are herein directed to be given and which has within one (1) month after it was so passed be ratified and confirmed in writing by Members entitled to three-fourths of the votes shall be as valid and effectual as a resolution of a general meeting but this Regulation shall not apply to a resolution for winding up the Company or to a resolution passed in respect of any matter which by the Act or these presents ought to be dealt with by a special resolution.*
- Resolutions of Directors requiring ratification by Members*
- (163) *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)."*
- No right to dividends where calls outstanding*

This page has been intentionally left blank.

This page has been intentionally left blank.

This page has been intentionally left blank.

