

**CIRCULAR DATED 29 OCTOBER 2018**

**THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS IN RELATION TO THE EXIT OFFER. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

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

If you have sold or transferred all your Shares (as defined herein) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee of your Shares as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee of your Shares. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee of your Shares, or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee of your Shares.

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

This Circular, the Exit Offer Letter and the Acceptance Forms (all as defined herein) shall not be construed as, may not be used for the purpose of, and do not constitute, a notice or proposal or advertisement or an offer or invitation or solicitation in any jurisdiction or in any circumstance in which such a notice or proposal or advertisement or an offer or invitation or solicitation is unlawful or not authorised, or to any person to whom it is unlawful to make such a notice or proposal or advertisement or an offer or invitation or solicitation.

**LTC CORPORATION LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 196400176K)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**THE PROPOSED VOLUNTARY DELISTING OF LTC CORPORATION LIMITED  
PURSUANT TO RULE 1307 AND RULE 1309 OF THE SGX-ST LISTING MANUAL**

Independent Financial Adviser to the Independent Directors of LTC Corporation Limited

**XANDAR CAPITAL PTE. LTD.**

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 200002789M)

**IMPORTANT DATES, TIMES AND VENUE**

Last date and time for lodgement of Proxy Form	:	12 November 2018 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	14 November 2018 at 10.00 a.m.
Venue of Extraordinary General Meeting	:	Ballroom A, Swissotel Merchant Court, 20 Merchant Road, Singapore 058281

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## DEFINITIONS

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

<b>“Acceptance Forms”</b>	:	FAA and/or FAT, as the case may be
<b>“Accepting Shareholder”</b>	:	A Shareholder who validly tenders his Shares in acceptance of the Exit Offer
<b>“Board”</b>	:	The board of Directors of the Company
<b>“Business Day”</b>	:	A day other than Saturday, Sunday or a public holiday, on which banks are open for business in Singapore
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular to Shareholders dated 29 October 2018 issued by the Company to the Shareholders in relation to the Delisting and the Exit Offer
<b>“Closing Date”</b>	:	5.30 p.m. (Singapore time) on 28 November 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 of the Exit Offer
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers, as amended from time to time
<b>“Companies Act”</b>	:	The Companies Act (Chapter 50 of Singapore)
<b>“Company” or “LTC”</b>	:	LTC Corporation Limited
<b>“Company Securities”</b>	:	(a) Shares;  (b) other securities which carry voting rights in the Company; and  (c) convertible securities, warrants, options and derivatives in respect of the Shares or securities which carry voting rights in the Company
<b>“Consortium Members”</b>	:	Shall have the meaning ascribed to it in <b>Section 3.2</b> of this Circular
<b>“Constitution”</b>	:	The constitution of the Company, as at the Latest Practicable Date
<b>“Controlling Shareholders”</b>	:	Shareholders who:  (a) hold directly or indirectly 15 per cent. or more of the total number of Shares; or  (b) in fact exercise control over the Company

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## DEFINITIONS

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<b>“CPF”</b>	:	The Central Provident Fund
<b>“CPF Agent Banks”</b>	:	Agent banks included under the CPFIS
<b>“CPFIS”</b>	:	Central Provident Fund Investment Scheme
<b>“CPFIS Investors”</b>	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
<b>“CTK”</b>	:	Mr Cheng Theng Kee
<b>“CYC”</b>	:	Mr Cheng Yoong Choong
<b>“CYK”</b>	:	Tan Sri Cheng Yong Kim
<b>“CYL”</b>	:	Mr Cheng Yong Liang
<b>“Date of Receipt”</b>	:	The date of receipt of the relevant Acceptance Form by CDP or the Receiving Agent (as the case may be) on behalf of the Offeror (provided always that the Date of Receipt falls on or before the Closing Date)
<b>“Delisting”</b>	:	The voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rule 1307 and Rule 1309 of the Listing Manual
<b>“Delisting Proposal”</b>	:	The formal proposal dated 7 September 2018 presented by the Offeror to the Board to seek the privatisation of the Company by way of the Delisting
<b>“Delisting Resolution”</b>	:	The resolution of Shareholders to be proposed at the EGM in respect of the Delisting
<b>“Delisting Resolution Approval Conditions”</b>	:	Shall have the meaning ascribed to it in <b>Section 3.4</b> of this Circular
<b>“Despatch Date”</b>	:	29 October 2018, being the date of despatch of the Exit Offer Letter
<b>“Directors”</b>	:	Directors of the Company as at the Latest Practicable Date
<b>“Dissenting Shareholders”</b>	:	Shall have the meaning ascribed to it in <b>Section 4.2</b> of this Circular
<b>“Distributions”</b>	:	Shall have the meaning ascribed to it in <b>Section 3.3.3(c)</b> of this Circular
<b>“Electronic Acceptance”</b>	:	The SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents

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## DEFINITIONS

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<b>“EGM”</b>	:	The extraordinary general meeting of the Company to be held on 14 November 2018, notice of which is set out on page N-1 of this Circular, and any adjournment thereof
<b>“Encumbrances”</b>	:	Shall have the meaning ascribed to it in <b>Section 3.3.3(b)</b> of this Circular
<b>“Excluded Subject Properties”</b>	:	The properties of the Group at the following locations:  (a) Lot No. 100612, Jalan Impian Utama, Taman Impian Skudai, 81300 Skudai, Johor Darul Takzim; and  (b) HSM 19660-19664 and HSD 38192, Lot Nos. PT 33743 – PT 33747 and PT 41097 (now known as Lots 66102 – 66106 and 71922 respectively), Mukim of Tanjong Duabelas, and HSD 38191, PT 473 (now known as Lot 10533), Pekan Sungai Manggis, all in District of Kuala Langat, State of Selangor Darul Ehsan, Malaysia
<b>“Exit Offer”</b>	:	The exit offer made by PPCF, for and on behalf of the Offeror, for all of the Offer Shares on the terms and subject to the conditions set out in the Exit Offer Letter and the Acceptance Forms, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
<b>“Exit Offer Letter”</b>	:	The letter dated 29 October 2018 from the Offeror to the Shareholders, including the Acceptance Forms and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update such document(s) from time to time
<b>“Exit Offer Price”</b>	:	The offer price for each Offer Share validly tendered in acceptance of the Exit Offer, as more particularly described in <b>Section 3.3.1</b> of this Circular
<b>“FAA”</b>	:	The Form of Acceptance and Authorisation for Offer Shares in respect of the Exit Offer, which is applicable to Shareholders whose Offer Shares are deposited with CDP, and which forms part of the Exit Offer Letter
<b>“FAT”</b>	:	The Form of Acceptance and Transfer for Offer Shares in respect of the Exit Offer, which is applicable to Shareholders whose Offer Shares are registered in their own names in the Register and are not deposited with CDP, and which forms part of the Exit Offer Letter
<b>“FY”</b>	:	Financial year ended or ending (as the case may be) on 30 June of a particular year as stated

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## DEFINITIONS

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<b>“Group”</b>	:	Collectively, the Company, its subsidiaries and associated companies
<b>“IFA Letter”</b>	:	The letter dated 29 October 2018 from Xandar to the Independent Directors in relation to the Exit Offer as set out in <b>Appendix I</b> to this Circular
<b>“Independent Directors”</b>	:	The Directors who are considered independent for the purposes of making recommendations to Shareholders in respect of the Exit Offer, namely Mr Ong Teong Wan, Dato’ Mazlan Bin Dato’ Seri Harun and Mr Chay Yee
<b>“Interested Person”</b>	:	<p>As defined in the Note on Rule 23.12 of the Code, an Interested Person, in relation to a company, is:</p> <ul style="list-style-type: none"><li>(a) a director, chief executive officer, or substantial shareholder of the company;</li><li>(b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company;</li><li>(c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;</li><li>(d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;</li><li>(e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or</li><li>(f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more</li></ul>
<b>“Irrevocable Undertaking”</b>	:	Shall have the meaning ascribed to it in <b>Section 6</b> of this Circular
<b>“Joint Announcement”</b>	:	The joint announcement on the Delisting Proposal and the Exit Offer released by the Offeror and the Company on the Joint Announcement Date
<b>“Joint Announcement Date”</b>	:	7 September 2018

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## DEFINITIONS

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<b>“Latest Practicable Date”</b>	:	19 October 2018, being the latest practicable date prior to the printing of this Circular
<b>“LI”</b>	:	Lion Investment (Singapore) Pte. Ltd.
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended from time to time
<b>“LR”</b>	:	Lion Realty Private Limited
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for the trading of securities
<b>“Mountbatten Enterprises”</b>	:	Mountbatten Enterprises Pte. Ltd.
<b>“NTA”</b>	:	Net tangible assets
<b>“Offer Shares”</b>	:	Shall have the meaning ascribed to it in <b>Section 3.1</b> of this Circular
<b>“Offeror”</b>	:	Mountbatten Resources Pte. Ltd.
<b>“Offeror Director-Shareholders”</b>	:	The shareholders of the Offeror, who are also the directors of the Offeror, being CYK, RCYK, CYL and CYC
<b>“Offeror Securities”</b>	:	(a) Offeror Shares;  (b) other securities which carry voting rights in the Offeror; and  (c) convertible securities, warrants, options and derivatives in respect of the Offeror Shares or securities which carry voting rights in the Offeror
<b>“Offeror Shares”</b>	:	Ordinary shares in the share capital of the Offeror
<b>“Overseas Shareholders”</b>	:	Shareholders whose addresses, as shown in the Register or in the records of CDP (as the case may be), are outside Singapore
<b>“PPCF” or “Financial Adviser”</b>	:	PrimePartners Corporate Finance Pte. Ltd., the financial adviser to the Offeror in connection with the Delisting and the Exit Offer
<b>“RCYK”</b>	:	Mr Cheng Yong Kwang
<b>“Receiving Agent” or “Registrar”</b>	:	B.A.C.S. Private Limited, the share registrar of the Company and the receiving agent of the Offeror



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## DEFINITIONS

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<b>“Reference Period”</b>	:	The period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date, being 7 June 2018 to 19 October 2018
<b>“Register”</b>	:	The register of Shareholders, as maintained by the Registrar
<b>“Relevant Directors”</b>	:	The Directors who are exempted from the requirement to make a recommendation on the Exit Offer to the Shareholders, namely CTK and CYL
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
<b>“SFA”</b>	:	The Securities and Futures Act (Chapter 289 of Singapore)
<b>“SGXNET”</b>	:	Singapore Exchange Network, a system network used by listed companies when sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
<b>“SGX-ST”</b>	:	The Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	Holder of the Shares as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register
<b>“Shares”</b>	:	Issued ordinary shares in the capital of the Company
<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“Specified Persons”</b>	:	Shall have the meaning ascribed to it in <b>Appendix II</b> to this Circular
<b>“SRS”</b>	:	Supplementary Retirement Scheme
<b>“SRS Agent Banks”</b>	:	Agent banks included under the SRS
<b>“SRS Investors”</b>	:	Investors who have purchased Shares pursuant to the SRS
<b>“Subject Properties”</b>	:	The properties of the Group at the following locations:  (a) 10, 12, 14 & 16 Arumugam Road “LTC Buildings A, B, C & D” Singapore 409957/58/59/61;  (b) 20 Woodlands Loop Singapore 738321;  (c) 22 Woodlands Loop Singapore 738914;  (d) 37 Senoko Drive Singapore 758222;  (e) Lot No. 100612, Jalan Impian Utama, Taman Impian Skudai, 81300 Skudai, Johor Darul Takzim; and

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## DEFINITIONS

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- (f) HSM 19660-19664 and HSD 38192, Lot Nos. PT 33743 – PT 33747 and PT 41097 (now known as Lots 66102 – 66106 and 71922 respectively), Mukim of Tanjong Duabelas, and HSD 38191, PT 473 (now known as Lot 10533), Pekan Sungai Manggis, all in District of Kuala Langat, State of Selangor Darul Ehsan, Malaysia

“S\$” and “cents”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“Valuation Reports”	:	The valuation reports issued by the Valuers in relation to the Subject Properties, extracts of which are set out in <b>Appendix IV</b> to this Circular
“Valuers”	:	Collectively, Knight Frank Pte Ltd, Knight Frank Malaysia Sdn Bhd and PPC International Sdn Bhd
“Xandar” or “IFA”	:	Xandar Capital Pte. Ltd., the independent financial adviser to the Independent Directors in relation to the Exit Offer
“%” or “per cent.”	:	Percentage or per centum

Unless otherwise defined, the term “**acting in concert**” shall have the meaning ascribed to it in the Code.

References to the making of an announcement or the giving of a notice by the Offeror shall include the release of an announcement by PPCF or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

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

The terms “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Section 5 and Section 6 of the Companies Act.

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

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

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

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## DEFINITIONS

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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.

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

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

The issued and paid-up share capital of the Company as at the Latest Practicable Date is S\$150,112,500 comprising 156,453,000 Shares. Unless otherwise specified, all references in this Circular to percentage shareholdings in the capital of the Company are based on 156,453,000 Shares as at the Latest Practicable Date.

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

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All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and other similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders of the Company should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA guarantees any future performance or event or assumes any obligation to update publicly or revise any forward-looking statement.

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## INDICATIVE TIMETABLE

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Last date and time for lodgement of proxy forms for the EGM <sup>(1)</sup>	:	12 November 2018 at 10.00 a.m.
Date and time of the EGM	:	14 November 2018 at 10.00 a.m.
Expected Closing Date and time	:	28 November 2018 at 5.30 p.m., or such other date(s) as may be announced from time to time by or on behalf of the Offeror
Expected date and time of the suspension of trading of the Shares by the SGX-ST <sup>(2)</sup>	:	22 November 2018 at 9.00 a.m., or such other date(s) as may be announced from time to time by or on behalf of the Company
Expected date for the delisting of the Shares	:	Approximately two (2) to three (3) weeks after the Closing Date, or such other date as may be announced from time to time by or on behalf of the Company
Expected date(s) for the payment of the Exit Offer Price, in respect of valid acceptances of the Exit Offer	:	Within seven (7) Business Days:  (a) after the Delisting Resolution has been passed at the EGM (where valid acceptances of the Exit Offer are tendered on or prior to the date of the Delisting Resolution being passed at the EGM); or  (b) after the date of receipt of valid acceptances of the Exit Offer (where such acceptances are tendered after the Delisting Resolution has been passed at the EGM but before the close of the Exit Offer)

Shareholders should note that, save for the last date and time for lodgement of proxy forms for the EGM, the date and time of the EGM and the date(s) for the payment of the Exit Offer Price in respect of valid acceptances of the Exit Offer, the above timetable is indicative only and may be subject to change. For the events listed above which are described as “expected”, please refer to future announcement(s) by the Company for the exact dates and times of these events.

**Notes:**

- (1) The instrument appointing a proxy or proxies must be deposited at the Company’s registered office at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957, not less than 48 hours before the time appointed for the EGM.
- (2) The current expected date of the suspension of trading of the Shares is based on an expected Closing Date of 28 November 2018.

PLEASE NOTE THAT THE EXIT OFFER IS CONDITIONAL UPON THE DELISTING RESOLUTION BEING PASSED AT THE EGM. PURSUANT TO RULE 1307 OF THE LISTING MANUAL, THE DELISTING RESOLUTION IS CONSIDERED PASSED IF IT IS APPROVED BY A MAJORITY OF AT LEAST 75 PER CENT. OF THE TOTAL NUMBER OF SHARES (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS) HELD BY THE SHAREHOLDERS PRESENT AND VOTING, ON A POLL, EITHER IN PERSON OR BY PROXY AT THE EGM, AND IF THE DELISTING RESOLUTION HAS NOT BEEN VOTED AGAINST BY 10 PER CENT. OR MORE OF THE TOTAL NUMBER OF SHARES (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS) HELD BY THE SHAREHOLDERS PRESENT AND VOTING, ON A POLL, EITHER IN PERSON OR BY PROXY, AT THE EGM. IF THIS CONDITION IS NOT SATISFIED AT THE EGM TO BE CONVENED, THE DELISTING WILL NOT PROCEED, THE COMPANY WILL REMAIN LISTED ON THE SGX-ST AND THE EXIT OFFER WILL LAPSE.

PLEASE ALSO NOTE THAT APPROVING THE DELISTING RESOLUTION AT THE EGM DOES NOT AUTOMATICALLY MEAN THAT YOU HAVE ACCEPTED THE EXIT OFFER. IF YOU WISH TO ACCEPT THE EXIT OFFER, YOU WILL NEED TO COMPLETE, SIGN AND DELIVER THE RELEVANT ACCEPTANCE FORM IN ACCORDANCE WITH THE PROVISIONS OF AND INSTRUCTIONS IN THE EXIT OFFER LETTER AND THE ACCEPTANCE FORMS ON OR BEFORE THE CLOSING DATE OF THE EXIT OFFER. PLEASE REFER TO APPENDIX 1 TO THE EXIT OFFER LETTER FOR THE PROCEDURES FOR ACCEPTANCE.

## **LTC CORPORATION LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 196400176K)

### **Board of Directors:**

Mr Cheng Theng Kee (Chairman and Executive Director)  
Mr Cheng Yong Liang (Managing Director)  
Mr Ong Teong Wan (Non-Executive and Lead Independent Director)  
Dato' Mazlan Bin Dato' Seri Harun (Non-Executive and Independent Director)  
Mr Chay Yee (Non-Executive and Independent Director)

### **Registered Office:**

10 Arumugam Road  
#10-00 LTC Building A  
Singapore 409957

**29 October 2018**

To: The Shareholders of the Company

Dear Sir/Madam

### **PROPOSED VOLUNTARY DELISTING OF LTC CORPORATION LIMITED PURSUANT TO RULE 1307 AND RULE 1309 OF THE LISTING MANUAL**

#### **1. INTRODUCTION**

- 1.1 On 7 September 2018, the Company and the Offeror jointly announced that the Offeror had presented to the Board the Delisting Proposal.

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

Under the Delisting Proposal, PPCF, for and on behalf of the Offeror, will make an exit offer to acquire the Offer Shares at the Exit Offer Price of S\$0.925 in cash for each Offer Share.

- 1.2 The Directors have reviewed the Delisting Proposal and resolved to make an application to the SGX-ST for the approval of the Delisting, and convene an EGM of the Company to seek the approval of Shareholders for the Delisting.
- 1.3 The purpose of this Circular is to provide Shareholders with relevant information regarding the Delisting Proposal and the Exit Offer and to seek Shareholders' approval for the Delisting at the EGM to be held on 14 November 2018. It also sets out the recommendation of the Independent Directors on the advice of the IFA in respect of the Exit Offer.

#### **2. THE DELISTING PROPOSAL**

Under the terms of the Delisting Proposal, PPCF, for and on behalf of the Offeror, is making the Exit Offer to acquire the Offer Shares. The Delisting and the Exit Offer are conditional on:

- (a) the SGX-ST agreeing to the application by the Company to delist from the Official List of the SGX-ST; and
- (b) the Delisting Resolution being passed at the EGM.

## 2.1 Rule 1307 and Rule 1309 of the Listing Manual

Under Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by the Company to delist from the Official List of the SGX-ST if:

- (a) the Company convenes the EGM to obtain Shareholders' approval for the Delisting;
- (b) the Delisting Resolution has been approved by a majority of at least 75 per cent. of the total number of Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM (the Directors and the Controlling Shareholders need not abstain from voting on the Delisting Resolution); and
- (c) the Delisting Resolution has not been voted against by 10 per cent. or more of the total number of Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM.

In addition, under Rule 1309 of the Listing Manual, if the Company is seeking to delist from the Official List of the SGX-ST:

- (i) a reasonable exit alternative, which should normally be in cash, should be offered to Shareholders; and
- (ii) the Company should normally appoint an independent financial adviser to advise on the Exit Offer.

## 2.2 Application to the SIC

As stated in the Exit Offer Letter, an application was made by the Offeror to the SIC to seek certain rulings in relation to the Exit Offer. The SIC ruled on 4 July 2018, *inter alia*, that:

- (a) the Exit Offer is exempted from compliance with the following provisions of the Code:
  - (i) Rule 20.1 on keeping the Exit Offer open for 14 days after it is revised;
  - (ii) Rule 22 on the offer timetable;
  - (iii) Rule 28 on acceptances; and
  - (iv) Rule 29 on the right of acceptors to withdraw their acceptances,subject to the following conditions:
  - (A) the Exit Offer remaining open for at least:
    - (1) 21 days after the date of the despatch of the Exit Offer Letter if the Exit Offer Letter is despatched after Shareholders' approval for the Delisting Resolution has been obtained at the EGM; or
    - (2) 14 days after the date of the announcement of Shareholders' approval of the Delisting Resolution if the Exit Offer Letter is despatched on the same date as the Circular; and



- (B) disclosure in the Circular of:
- (1) the consolidated NTA per Share of the Group based on the latest published accounts prior to the date of the Circular; and
  - (2) particulars of all known material changes as of the Latest Practicable Date which may affect the consolidated NTA per Share referred to in **paragraph 2.2(a)(B)(1)** above or a statement that there are no such known material changes; and
- (b) the Relevant Directors are exempted from the requirement to make and assume any responsibility for any recommendation on the Exit Offer to the Shareholders as the Relevant Directors face a conflict of interest in view of:
- (i) CTK being the father of the Offeror Director-Shareholders; and
  - (ii) CYL being a director of Mountbatten Enterprises and an Offeror Director-Shareholder.

Nevertheless, each of the Relevant Directors must still assume responsibility for the accuracy of facts stated and completeness of information expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Exit Offer.

Please refer to **paragraphs 6.4 and 12** of the Exit Offer Letter for further details of the rulings of the SIC.

### **3. THE EXIT OFFER**

#### **3.1 The Exit Offer**

As stated in the Exit Offer Letter, the Exit Offer is extended to all of the Shares, other than Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations or their respective nominees (all such Shares, the “**Offer Shares**”) on the terms and subject to the conditions set out in the Exit Offer Letter, the FAA and the FAT, as such documents may be amended, extended and revised from time to time by or on behalf of the Offeror.

#### **3.2 Information on the Offeror**

As stated in **paragraphs 1.1 and 8** of, and **Appendix 2** to, the Exit Offer Letter, the Offeror is the bid vehicle for CYK, RCYK, CYL, CYC and Mountbatten Enterprises (collectively, the “**Consortium Members**”) who have agreed, pursuant to a consortium agreement entered into among the Consortium Members, to undertake the Exit Offer through the Offeror.

The Offeror was incorporated in Singapore for the purposes of the Exit Offer and the principal activity of the Offeror is that of an investment holding company. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$4 comprising four (4) Offeror Shares.

As at the Latest Practicable Date:

- (a) the Offeror does not own or have control over any Shares;
- (b) CYK, RCYK, CYL and CYC are the directors of the Offeror;
- (c) CYK, RCYK, CYL and CYC jointly own the Offeror in equal proportions<sup>1</sup>;
- (d) CYK, RCYK, CYL and CYC are directors of Mountbatten Enterprises, the majority shareholder of the Company, which holds 138,366,568 Shares (representing approximately 88.44 per cent. of the total number of Shares)<sup>2</sup>; and
- (e) Mountbatten Enterprises is approximately 71.28 per cent. owned by LI and 28.72 per cent. owned by LR. CYK, RCYK, CYL and CYC collectively own a majority of shares in each of LI and LR and each of them is a director of LI and LR.

CYK, RCYK, CYL, CYC and Mountbatten Enterprises have agreed, pursuant to a consortium agreement, to undertake the Exit Offer through the Offeror.

For more details on the Offeror, please refer to **paragraphs 1.1 and 8** of, and **Appendix 2** to, the Exit Offer Letter.

### 3.3 Terms of the Exit Offer

3.3.1 *Exit Offer Price.* As stated in the Exit Offer Letter, the price for each Offer Share (the “**Exit Offer Price**”) will be as follows:

**For each Offer Share: S\$0.925 in cash.**

**The Exit Offer Price is final. The Offeror does not intend to revise the Exit Offer Price under any circumstances.**

The Exit Offer Price shall be applicable to all of the Offer Shares that are tendered in acceptance of the Exit Offer.

3.3.2 *Offer Shares.* The Exit Offer is extended to all of the Offer Shares. The Shareholders may accept the Exit Offer in respect of all or part of their holdings of Offer Shares. **The Exit Offer is not conditional upon a minimum number of acceptances being received by the Offeror.**

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

- (a) fully paid;
- (b) free from all claims, charges, liens, mortgages, encumbrances, hypothecation, retention of title, power of sale, equity, options, rights of pre-emption, rights of first refusal or other third party rights or interests of any nature (“**Encumbrances**”); and

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<sup>1</sup> Each of CYK, RCYK, CYL and CYC subscribed for, and were allotted and issued, one (1) Offeror Share on the incorporation of the Offeror on 3 July 2018.

<sup>2</sup> The 138,366,568 Shares held by Mountbatten Enterprises in the Company are the subject of a share charge dated 7 February 2018 in favour of Oversea-Chinese Banking Corporation Limited.

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

3.3.4 *Adjustment for Distributions.* If any Distribution is announced, declared, paid or made by the Company on or after the Joint Announcement Date to a Shareholder who accepts or has accepted the Exit Offer and the settlement date in respect of the Offer Shares tendered in acceptance of the Exit Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offeror reserves the right to reduce the Exit Offer Price payable to such accepting Shareholder by the amount of such Distribution.

Further details on the Exit Offer are set out in the Exit Offer Letter.

#### 3.4 Conditions to Delisting and the Exit Offer

As stated in the Exit Offer Letter, the Delisting and the Exit Offer are conditional upon the following conditions (the “**Delisting Resolution Approval Conditions**”) being fulfilled:

- (a) the SGX-ST agreeing to the application by the Company to delist from the Official List of the SGX-ST; and
- (b) the Delisting Resolution being passed at the EGM in the manner described in **Section 2.1** of this Circular.

Under Rule 1307 of the Listing Manual, all Shareholders (including the Directors, the Offeror, its related corporations and their respective nominees) are entitled to vote on the Delisting Resolution at the EGM.

#### 3.5 Application to the SGX-ST

On 24 September 2018, the Company submitted an application to the SGX-ST to delist from the Official List of the SGX-ST. On 19 October 2018, the SGX-ST confirmed that it has no objection to the Delisting, subject to, the approval by the Shareholders in accordance with Rule 1307 of the Listing Manual and the fulfilment of all other conditions precedent to the Delisting. The SGX-ST’s decision is not to be taken as an indication of the merits of the Delisting.

**Shareholders are to note that the Delisting and the Exit Offer will be conditional upon the Delisting Resolution being passed at the EGM. If this condition is not fulfilled, the Delisting will not proceed and the Company will remain listed on the Official List of the SGX-ST. The Exit Offer will also lapse and all acceptances of the Exit Offer will be returned.**

**Shareholders are to also note that approving the Delisting Resolution at the EGM does NOT automatically mean that you have accepted the Exit Offer. Please refer to Section 14 of this Circular entitled “Action to be taken by Shareholders” and Appendix 1 to the Exit Offer Letter entitled “Procedures for Acceptance and Settlement of the Exit Offer” for further details on the actions to take if you wish to accept the Exit Offer.**

### 3.6 Warranty by Shareholders

As stated in the Exit Offer Letter, a Shareholder who tenders his Offer Shares in acceptance of the Exit Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof: (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain (if any) all Distributions announced, declared, paid or made by the Company on or after the Joint Announcement Date.

### 3.7 Closing Date

As stated in the Exit Offer Letter, the Exit Offer is open for acceptance by the Shareholders from the Despatch Date. Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances are conditional and if the Delisting Resolution is not approved at the EGM, the Delisting Resolution Approval Conditions will not have been fulfilled and the Exit Offer will lapse, and the Shareholders and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder. The Company will also remain listed on the SGX-ST.

If the Delisting Resolution is approved by the Shareholders at the EGM, the Exit Offer will remain open for acceptance by the Shareholders for a period of at least 14 days after the date of announcement of the Shareholders' approval of the Delisting Resolution at the EGM.

Accordingly, if the Delisting Resolution is approved by the Shareholders at the EGM, the Exit Offer will close at 5.30 p.m. (Singapore time) on 28 November 2018 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

If the Exit Offer is extended, an announcement will be made of such extension and the Exit Offer will remain open for acceptance for such period as may be announced.

## 4. **IMPLICATIONS OF COMPULSORY ACQUISITION AND DELISTING FOR SHAREHOLDERS**

### 4.1 Delisting

Shareholders should note that if the Delisting Resolution is approved in accordance with the requirements of the Listing Manual, the Company will be delisted. Following the Delisting, Shareholders who do not accept the Exit Offer will continue to hold Shares in what will then be an unlisted company.

Shareholders should note that shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies as a result of the lack of marketability. **Following the Delisting, it is likely to be difficult for Shareholders who do not accept the Exit Offer to sell their Shares in the absence of a public market for the Shares as there is no arrangement for Shareholders to exit. If the Company is delisted, even if such Shareholders were able to sell their Shares, they may receive a lower price as compared to the Exit Offer Price.** Further, any transfer or sale of Shares represented by share certificates will be subject to stamp duty.

Shareholders should also note that, under the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the closure of the Exit Offer, make a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Exit Offer.

As an unlisted company, the Company will no longer be obliged to comply with the listing requirements of the SGX-ST, including the continuing corporate disclosure requirements under Chapter 7 and Appendices 7.1, 7.2, 7.4.1 and 7.4.2 of the Listing Manual. Nonetheless, the Company will still need to comply with the Companies Act and its constitution (as amended from time to time), and the interests of Shareholders who do not accept the Exit Offer will be protected to the extent provided for by the Companies Act and the Company's constitution. Among other things, the Companies Act requires every company to call an annual general meeting once in every calendar year and to lay the financial statements for the period since the preceding financial statements before the Shareholders. The rights of Shareholders in respect of capital, dividends and voting under the Constitution are set out in **Appendix V** to this Circular.

If the Company is delisted from the Official List of the SGX-ST, each Shareholder who holds Shares that are deposited with CDP and does not accept the Exit Offer will be entitled to one (1) share certificate representing his delisted Shares. The Registrar will arrange to forward the share certificates to such Shareholders who are not CPFIS Investors or SRS Investors, by ordinary post and at the Shareholder's own risk, to their respective addresses as such addresses appear in the records of CDP for their physical safekeeping. The share certificates belonging to CPFIS Investors or SRS Investors will be forwarded to the CPF Agent Banks or SRS Agent Banks (as the case may be) for their safekeeping.

**Shareholders who are in doubt on their position should seek independent professional advice.**

#### 4.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Exit Offer or acquires Shares from the Despatch Date otherwise than through valid acceptances of the Exit Offer in respect of not less than 90 per cent. of the total number of Shares (excluding treasury Shares) as at the final Closing Date (other than those already held by the Offeror, its related corporations or their respective nominees as at the Despatch Date), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Exit Offer (the "**Dissenting Shareholders**") on the same terms as those offered under the Exit Offer.

**In the event that the Offeror becomes entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the Dissenting Shareholders, the Offeror intends to exercise such right. In such event, the Company will become a wholly-owned subsidiary of the Offeror pursuant to such compulsory acquisition.**

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 or their respective nominees, comprise 90 per cent. or more of the total number of Shares, the Dissenting Shareholders have a right to require the Offeror to acquire their Shares at the Exit Offer Price. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

**Shareholders are advised to seek their own independent legal advice in relation to the compulsory acquisition provisions under the Companies Act.**

Please refer to **paragraph 7** of the Exit Offer Letter for details on, *inter alia*, the rights of the Offeror and Shareholders under the Companies Act.

## **5. INFORMATION ON THE OFFEROR AND THE PARTIES ACTING IN CONCERT WITH IT**

Information on and disclosures by the Offeror and the parties acting in concert with the Offeror are set out in **paragraphs 8 and 13** of the Exit Offer Letter, which is reproduced in italics below. Please refer to **Appendix 4** to the Exit Offer Letter for further information on and disclosures by the Offeror and the parties acting in concert with the Offeror.

**“8.1 The Offeror.** *The Offeror is a special purpose vehicle which has been incorporated in Singapore for the purposes of the Exit Offer. Its principal activity is investment holding.*

*As at the Latest Practicable Date, the Offeror is jointly owned by each of CYK, RCYK, CYL and CYC as the Controlling Shareholders in equal proportions and has an issued and paid-up share capital of S\$4 comprising four ordinary shares (the “Offeror Shares”) with each of the Controlling Shareholders owning one Offeror Share.*

*As mentioned above, ME will subscribe for new Offeror Shares on or after the close of the Exit Offer. Following the completion of such Reinvestments, ME will hold approximately 100 per cent. of the enlarged issued share capital of the Offeror, with each of the Controlling Shareholders continuing to hold one nominal Offeror Share.*

*The board of directors of the Offeror (the “Offeror Directors”) comprises four members, consisting of each of the Controlling Shareholders. As at the Latest Practicable Date, the Offeror does not own or have control over any Shares.*

**Appendix 2** to this Exit Offer Letter sets out certain additional information on the Offeror.

**8.2 Mountbatten Enterprises Pte. Ltd..** *ME is an investment company which is approximately 71.28 per cent. owned by LI and 28.72 per cent. owned by LR. LI and LR are investment companies which are 100 per cent. (directly or indirectly) owned by various members of the Cheng family based in Singapore. The Controlling Shareholders own a majority of shares in LI and LR and each of the Controlling Shareholders is a director of LI and LR. The directors of ME are the Controlling Shareholders.*

*As at the Latest Practicable Date, ME is the majority shareholder of LTC, holding 138,366,568 Shares, representing approximately 88.44 per cent. of the total number of Shares.*

**8.3 Controlling Shareholders.** *The Controlling Shareholders are brothers and, as stated above, each of the Controlling Shareholders is an Offeror Director and a director of ME. CYL is also an executive director and the managing director of LTC and the other Controlling Shareholders are directors of various subsidiaries of LTC.*

**13.1 Shareholdings and Dealings.** *As at the Latest Practicable Date, save as set out in this Exit Offer Letter (including **Appendix 4** to this Exit Offer Letter), based on the latest information available to the Offeror, none of the Offeror, the Offeror Directors and the parties acting in concert with the Offeror:*

**13.1.1** *owns, controls or has agreed to acquire any LTC Securities; or*

**13.1.2** *has dealt for value in any LTC Securities during the Reference Period.*

**13.2 Other Arrangements.** *As at the Latest Practicable Date, save as set out in this Exit Offer Letter (including **Appendix 4** to this Exit Offer Letter), none of the Offeror and parties acting in concert with it has:*

**13.2.1** *received any irrevocable commitment to accept the Exit Offer in respect of any LTC Securities;*

**13.2.2** *granted any security interest in respect of any LTC Securities in favour of any other person, whether through a charge, pledge or otherwise;*

**13.2.3** *borrowed any LTC Securities from any other person (excluding borrowed LTC Securities which have been on-lent or sold); or*

**13.2.4** *lent any LTC Securities to any other person.”*

## **6. IRREVOCABLE UNDERTAKING**

Details on the irrevocable undertaking given by Mountbatten Enterprises to the Offeror (the “**Irrevocable Undertaking**”) are set out in **paragraph 6** of the Exit Offer Letter, which is reproduced in italics below:

**“6.1 Irrevocable Undertaking.** *ME has given an irrevocable undertaking (the “**Irrevocable Undertaking**”) to the Offeror to, inter alia:*

*(i) vote in favour of the Delisting Resolution in respect of all its Shares;*

*(ii) subject to and contingent upon the release and discharge of the OCBC Share Charge, tender all the Shares that it holds in aggregate as at the date of the Irrevocable Undertaking and any other Shares which it may subsequently acquire (directly or indirectly or through a nominee) after the date of the Irrevocable Undertaking, in acceptance of the Exit Offer within three Business Days from the date of the Shareholders’ approval of the Delisting Resolution being obtained at the EGM or such later date as may be agreed between ME and the Offeror; and*

*(iii) in accordance with the Irrevocable Undertaking, direct that all the consideration payable for its Offer Shares be applied to subscribe for new Offeror Shares (as defined below) on or after the close of the Exit Offer at the issue price of S\$1 per Offeror Share (the “**Reinvestments**”).*

*Following the completion of the Reinvestments, ME will hold approximately 100 per cent. of the enlarged issued share capital of the Offeror, with each of the Controlling Shareholders continuing to hold one nominal Offeror Share.*



- 6.2 Termination.** *The Irrevocable Undertaking shall terminate or lapse upon the earlier of the Exit Offer being withdrawn or lapsing (whether as a result of any of the Delisting Resolution Approval Conditions not being fulfilled or otherwise).*
- 6.3 No Other Irrevocable Undertakings.** *Save for the Irrevocable Undertaking, none of the Offeror and any parties acting in concert with the Offeror has received any other irrevocable undertaking from any other party to accept or reject the Exit Offer as at the Latest Practicable Date.*
- 6.4 SIC Confirmation.** *Pursuant to an application made by the Offeror to the SIC to seek certain rulings in relation to the Exit Offer (the “SIC Application”), the SIC has confirmed that the consortium agreement among the Consortium Members, the Irrevocable Undertaking and the Reinvestments do not constitute a special deal for the purposes of Rule 10 of the Code.”*

Shareholders should note that Mountbatten Enterprises’ undertaking to tender all of its Shares in acceptance of the Exit Offer is subject to and contingent upon the release and discharge of the OCBC Share Charge (as defined in the Exit Offer Letter). In the event:

- (a) the OCBC Share Charge is not released and discharged; and/or
- (b) Mountbatten Enterprises does not tender all the Shares that it holds in aggregate as at the date of the Irrevocable Undertaking and any other Shares which it may subsequently acquire (directly or indirectly or through a nominee) after the date of the Irrevocable Undertaking, in acceptance of the Exit Offer,

the Offeror will not acquire Mountbatten Enterprises’ Shares, and may not be able to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act. Additional information on such right of compulsory acquisition is set out in **paragraph 4.2** of this Circular.

## **7. INFORMATION ON THE COMPANY AND THE GROUP**

The Company was incorporated in Singapore on 21 May 1964 and has been listed on the Main Board of the SGX-ST since 17 April 1997. It is the parent company of the Group. The Group is engaged in steel trading businesses, property development, property rental and retail operations in Singapore, Malaysia and China.

Additional information on the Company is set out in **Appendix III** to this Circular.

## **8. RATIONALE FOR THE DELISTING AND THE OFFEROR’S INTENTIONS RELATING TO THE COMPANY AND THE GROUP**

Details on the rationale for the Exit Offer and the Offeror’s intentions relating to the Company and the Group are reproduced from **paragraphs 2.6, 3 and 5** of the Exit Offer Letter, which is reproduced in italics below:

### **“2.6 Conditions to Delisting and the Exit Offer. ...**

*The Offeror does not intend to maintain or support any action taken or to be taken to maintain the present listing status of LTC.*

*Accordingly, the Offeror and the parties acting in concert with the Offeror intend to vote all of the 138,367,568 Shares held by them as at the Latest Practicable Date and any other Shares which may be acquired by the Offeror*

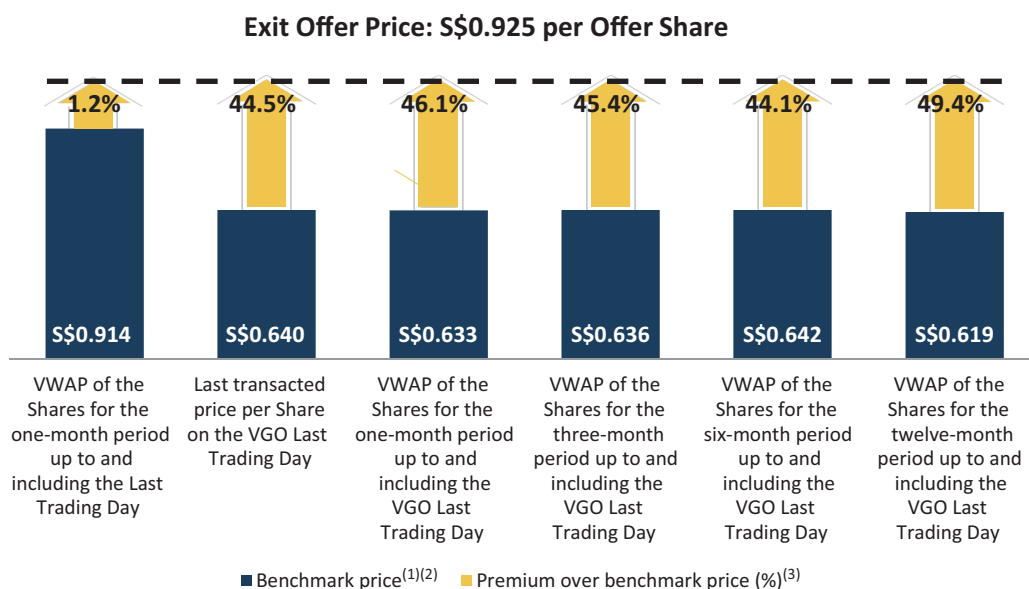


**and the parties acting in concert with the Offeror after the Latest Practicable Date in favour of the Delisting Resolution at the EGM.**

**3.1 Opportunity for Shareholders to Exit their Investment in the Shares.** *The Exit Offer Price represents a premium of approximately 1.2 per cent. over the VWAP per Share of S\$0.914 for the one-month period up to and including the Last Trading Day, and a premium of approximately 44.5 per cent. over the closing price per Share of S\$0.640 as quoted on the SGX-ST on 8 February 2018 (the “VGO Last Trading Day”), being the last full Market Day of trading in the Shares on the SGX-ST prior to the making of the offer announcement on 9 February 2018 in relation to the VGO.*

*Prior to the VGO, the Shares had not been transacted on the SGX-ST at or above the Exit Offer Price since the year 2000 up to the VGO Last Trading Day. The Exit Offer Price represents a premium of approximately 46.1 per cent., 45.4 per cent., 44.1 per cent. and 49.4 per cent. over the VWAP per Share for the one-month, three-month, six-month and twelve-month periods respectively up to and including the VGO Last Trading Day and a premium of approximately 44.5 per cent. over the closing price per Share of S\$0.640 as quoted on the SGX-ST on the VGO Last Trading Day.*

### **How the Exit Offer Price Compares Against Historical Benchmarks**



**Notes:**

- (1) Based on data extracted from Bloomberg L.P. as of 6 September 2018.
- (2) Benchmark prices are rounded to three decimal places.
- (3) Percentage figures are rounded to one decimal place.

*Subsequent to the close of the VGO on 25 June 2018, the Shares have only transacted on the SGX-ST at or above the Exit Offer Price on one of the total 49 Market Days up to and including the Last Trading Day.*

*The Exit Offer therefore represents a cash exit opportunity for Shareholders who did not manage to tender their acceptances in respect of the VGO prior to the close of the VGO on 25 June 2018. In particular, the trading liquidity of LTC has been further reduced following the close of the VGO and the Exit Offer therefore represents an opportunity for Shareholders to liquidate and realise their entire investment without incurring any brokerage and other trading costs.*

**3.2 Low Trading Liquidity.** *The trading volume of the Shares has been generally low, with an average daily trading volume<sup>3</sup> of approximately 33,238 Shares, 26,162 Shares, 41,905 Shares and 39,072 Shares during the one-month, three-month, six-month and twelve-month periods respectively up to and including the VGO Last Trading Day. Each of these represents less than 0.03 per cent. of the total number of Shares for any of the aforementioned relevant periods.*

*Since the close of the VGO on 25 June 2018 up to and including the Last Trading Day, the trading volume of the Shares has decreased significantly where an aggregate 6,000 Shares were traded over 49 Market Days, representing less than 0.01 per cent. of the total number of Shares. Furthermore, out of the 20 Market Days during the one-month period up to and including the Last Trading Day, there were only two Market Days with trading of Shares.*

*Additionally, the free float of LTC was reduced to approximately 11.56 per cent. at the close of the VGO, further reducing trading liquidity.*

*Hence, the Exit Offer represents a unique cash exit opportunity for Shareholders to liquidate and realise their entire investment without incurring any brokerage or other trading costs, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.*

**3.3 No Necessity for Access to Equity Capital Markets.** *Since the year 2000, LTC has not carried out any exercise to raise equity capital on the SGX-ST. LTC is unlikely to require access to Singapore equity capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for LTC to maintain its listing on the SGX-ST.*

**3.4 Costs of Maintaining Listing Status.** *In maintaining its listed status, LTC incurs compliance and associated costs relating to continuing listing requirements under the Listing Manual. In the event that LTC is delisted from the SGX-ST, LTC will be able to save on expenses and costs relating to the maintenance of its listed status and channel such resources to its business operations instead.*

**3.5 Greater Management Flexibility.** *The Offeror is making the Exit Offer with a view to delist LTC from the SGX-ST and exercise its rights of compulsory acquisition. The Offeror believes that privatising LTC will provide the Offeror with more flexibility to manage the business of LTC, optimise the use of LTC's management and resources and facilitate the implementation of any operational change in LTC.*

**5.1 Offeror's Intention to Vote on Delisting Resolution.** *The Offeror does not intend to maintain or support any action taken or to be taken to maintain the present listing status of LTC. Accordingly, the Offeror and the parties acting in concert with the Offeror intend to vote all of the 138,367,568 Shares, representing approximately 88.44 per cent. of the total number of Shares, held by them as at the Latest Practicable Date, and any other Shares which may be acquired by the Offeror and the parties acting in concert with the Offeror after the Latest Practicable Date, in favour of the Delisting Resolution at the EGM, as stated in **Section 2.6** of this Exit Offer Letter.*

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<sup>3</sup> The average daily trading volume is computed based on the total volume of Shares traded divided by the number of Market Days with respect to the one-month period, three-month period, six-month period and twelve-month period up to and including the VGO Last Trading Day.

**Shareholders should note that in the event the Delisting Resolution Approval Conditions are satisfied, LTC will be delisted from the Official List of the SGX-ST on or after the close of the Exit Offer, irrespective of the number of acceptances received by the Offeror in respect of the Exit Offer.**

**If LTC is delisted from the Official List of the SGX-ST, LTC (as a Singapore-incorporated company) will be subject to the provisions of the Companies Act and will no longer be subject to the provisions of the Listing Manual.** Shareholders at such time may wish to seek their own independent legal advice to familiarise themselves with their rights as a shareholder of a Singapore-incorporated company under the Companies Act.

**5.2 Offeror's Future Plans for LTC.** *The Offeror intends for LTC to continue its existing business activities and there are currently no plans to (i) introduce any major changes to the business of LTC or the operations of any of its subsidiaries; (ii) re-deploy any of the fixed assets of LTC; or (iii) discontinue the employment of any of the existing employees of LTC or its subsidiaries, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to LTC which may present themselves and which the Offeror may regard to be in the best interests of LTC.*

## **9. OVERSEAS SHAREHOLDERS**

The following section on Overseas Shareholders is reproduced from **paragraph 15** of the Exit Offer Letter, and all terms and expressions used in the extract below shall bear the same meanings ascribed to them in the Exit Offer Letter unless otherwise stated.

**15.1 Overseas Shareholders.** *The Exit Offer Letter does not constitute an offer to sell or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in the Exit Offer Letter in any jurisdiction in contravention of applicable laws.*

*For the avoidance of doubt, the Exit Offer is open to all Shareholders, including those to whom the Exit Offer Letter may not be sent.*

*The availability of the Exit Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable requirements in their own jurisdictions.*

**15.2 Copies of the Exit Offer Letter.** *Where there are potential restrictions on sending the Exit Offer Letter to any overseas jurisdictions, the Offeror and PPCF each reserves the right not to send the Exit Offer Letter to the Overseas Shareholders in such overseas jurisdictions. Any affected Overseas Shareholder may nonetheless obtain copies of the Exit Offer Letter during normal business hours from (i) CDP (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or (ii) the office of the Receiving Agent (if he is holding Shares which are not deposited with CDP ("**in scrip form**")) at 8 Robinson Road, #03-00 ASO Building, Singapore 048544.*

*Alternatively, an affected Overseas Shareholder may write to the Receiving Agent (if he is holding Shares in scrip form) or CDP (if he is a Depositor) to request for the Exit Offer Letter to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.*

**15.3 Overseas Jurisdiction.** *It is the responsibility of any Overseas Shareholder who wishes to (i) request for the Exit Offer Letter; or (ii) accept the Exit Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction(s) in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable in such jurisdictions and the Offeror, its related corporations, PPCF, CDP, the Receiving Agent and/or any other person acting on the Offeror's behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, PPCF, CDP, the Receiving Agent and/or any other person acting on the Offeror's behalf may be required to pay and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Exit Offer and/or any exercise of the rights described in Section 7 (Compulsory Acquisition) of this Exit Offer Letter. In (a) requesting for the Exit Offer Letter; and (b) accepting the Exit Offer, the Overseas Shareholder represents and warrants to the Offeror and PPCF that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction. All Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.*

**15.4 Notice.** *The Offeror and PPCF each reserves the right to notify any matter, including the fact that the Exit Offer has been made, to any or all of the Shareholders (including Overseas Shareholders) by announcement on the SGXNET or paid advertisement in a daily newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including an Overseas Shareholder) to receive or see such announcement or advertisement.*

***Overseas Shareholders who are in doubt about their positions should consult their own professional advisers in the relevant jurisdictions.***

## **10. INFORMATION IN RESPECT OF THE DIRECTORS**

### **10.1 Independence of Directors**

The Independent Directors are independent for the purposes of the Exit Offer and are required to make a recommendation to Shareholders in relation to the Exit Offer. As stated in the Exit Offer Letter, the SIC has ruled on 4 July 2018 that the Relevant Directors are exempted from the requirement to make and assume any responsibility for any recommendation on the Exit Offer to the Shareholders as they face a conflict of interest in view of:

- (a) CTK being the father of the Offeror Director-Shareholders; and
- (b) CYL being a director of Mountbatten Enterprises and an Offeror Director-Shareholder.

Nevertheless, each of the Directors (including the Relevant Directors) must still assume responsibility for the accuracy of facts stated and completeness of information expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Exit Offer.

## 10.2 Directors' Interests

As at the Latest Practicable Date, none of the Directors has any direct or deemed interests in any Company Securities.

Mountbatten Enterprises holds approximately 88.44 per cent. of the Shares; the remaining Shares are held by members of the public (which, for the avoidance of doubt, excludes the Directors).

The shares in Mountbatten Enterprises are, in turn, approximately 71.28 per cent. owned by LI and 28.72 per cent. owned by LR. Each of LI and LR therefore has a deemed interest in the Shares held by Mountbatten Enterprises. However, none of the Directors individually controls 20 per cent. or more of the shares in LI or LR, or is otherwise deemed to have an interest in the Shares held by Mountbatten Enterprises.

Further details on the Directors including, *inter alia*, the Directors' direct and deemed interests in the Offeror Securities as at the Latest Practicable Date are set out in **Appendix III** to this Circular.

## 10.3 Intentions of the Directors in respect of their Shares

None of the Directors has any direct interest in the Offer Shares.

## 11. **ADVICE OF XANDAR TO THE INDEPENDENT DIRECTORS**

Xandar has been appointed as the independent financial adviser to advise the Independent Directors in relation to the Exit Offer. The advice of Xandar to the Independent Directors on the Exit Offer is set out in the IFA Letter annexed as **Appendix I** to this Circular. Shareholders are advised to read and consider carefully, in its entirety, the advice of Xandar contained in the IFA Letter. An extract of Xandar's advice in relation to the Exit Offer and the key factors it has taken into consideration are reproduced in italics below.

### **"9. OUR OPINION**

*Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Exit Offer. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter and, in particular, all the considerations and information we have taken into account, be read in its entirety.*

*We set out below a summary of the key factors we have taken into consideration when assessing the "fairness" of the Exit Offer:*

- (a) save for the period before 1998 and the period after the announcement of the VGO, the closing prices of the Shares were below the Exit Offer Price;*
- (b) the trading prices of the Shares were supported by the Offer Price during the period of the VGO and dropped to S\$0.79 after the close of the VGO;*



- (c) *during the period of the VGO, the average daily trading volume of the Shares was over 100,000 Shares. The average daily trading volume of the Shares has dropped to less than 2,000 after the close of the VGO and up to the Joint Announcement Date;*
- (d) *the Shares have been trading below the P/NAV ratio implied by the Exit Offer Consideration for the periods after listing up to the date of announcement of the VGO and only improved after the date of announcement of the VGO;*
- (e) *the PER and EV/EBITDA ratio of the Group as implied by the Exit Offer Consideration are above the range of the listed steel trading comparable companies while the P/NAV ratio of the Group, as implied by the Exit Offer Consideration, is within the range and equals to the mean and median ratios of the listed steel trading comparable companies;*
- (f) *the Group will have a P/RNAV ratio of 0.5 times after adding the revaluation surpluses but the P/RNAV ratio is still within the range of its listed steel trading comparable companies;*
- (g) *the PER and P/NAV ratio of the Group as implied by the Exit Offer Consideration are above the mean and median ratios of the listed property segment comparable companies while the P/RNAV ratio of the Group, as implied by the Exit Offer Consideration, is within the range and equals to the mean and median ratios of the listed property segment comparable companies; and*
- (h) *while the premium or discount of the Exit Offer Price over the VWAP of the Shares are mainly below the corresponding range of the Recent Transactions, we wish to highlight that the Delisting Proposal and Exit Offer was announced within three months from the close of the VGO and the Exit Offer Price is the same as the Offer Price in the VGO. As set out in paragraph 8.1 of this IFA Letter, the trading prices of the Shares were supported by the Offer Price during the period of the VGO. Accordingly, the premiums represented by the Offer Price over the VWAP of Shares for periods prior to the announcement of the VGO would be a more relevant benchmark. For periods prior to the announcement of the VGO, the premiums represented by the Offer Price over the VWAP of Shares are above the corresponding mean and median premiums of the Recent Transactions.*

*We set out below a summary of the key factors we have taken into consideration when assessing the “reasonableness” of the Exit Offer:*

- (i) *the Group’s revenue from the steel trading segment increased significantly to represent more than 90% of the Group’s revenue for FY2018 and the Group reported a lower profit of only S\$2.3 million for FY2018;*
- (j) *investment properties accounted for the largest portion of the Group’s NAV as at 30 June 2016, 30 June 2017 and 30 June 2018, and the increase in the Group’s NAV (from S\$251.54 million as at 30 June 2016 to S\$260.62 million as at 30 June 2018) was attributed to the Group’s profitable track records in the last three financial years;*
- (k) *offers which took place shortly after the close of the previous offers were all made on the same offer price as their previous offers. The Exit Offer Price for the Shares is also the same as the price offered by Mountbatten Enterprises Pte. Ltd. in the VGO;*

(l) *the Shares held by the Undertaking Shareholder represent approximately 88.44% of the total number of issued Shares which exceed the 75% of the total number of issued Shares required for the approval of the Delisting Resolution. Unless the Delisting Resolution is voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM, the Delisting Resolution is assured of being passed at the EGM; and*

(m) *other considerations as set out in paragraph 8.10 of this IFA Letter.*

***After taking into account the above factors, we are of the opinion that, as of the date hereof, the Exit Offer is fair and reasonable and is not prejudicial to the interests of the Company and its independent Shareholders.***

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

## **12. INDEPENDENT DIRECTORS’ RECOMMENDATION**

Shareholders are advised by the Independent Directors to read and consider carefully the recommendation of the Independent Directors and the advice of Xandar contained in the IFA Letter as reproduced in **Appendix I** to this Circular in its entirety. In particular, the Independent Directors advise the Shareholders to review **paragraphs 8 and 9** of the IFA Letter carefully. The Independent Directors also draw the attention of the Shareholders to **Section 4** of this Circular entitled “Implications of Compulsory Acquisition and Delisting for Shareholders”.

In reaching the recommendation set out below, the Independent Directors have considered carefully, amongst other things, the terms of the Delisting Proposal including the Exit Offer and the advice given by Xandar.

**Having taken Xandar’s advice on the Exit Offer and the terms of the Delisting Proposal into consideration, the Independent Directors concur with the advice of Xandar in relation to the Exit Offer.**

**Accordingly, the Independent Directors recommend that Shareholders VOTE IN FAVOUR of the Delisting Resolution and either ACCEPT the Exit Offer or sell their Shares in the open market if they can obtain a price higher than the Exit Offer Price (after deducting transaction and related expenses) in the event that the Delisting Resolution is passed and they do not intend or are not prepared to hold unquoted Shares. Shareholders should note that there is no assurance that the market prices and trading volume of the Shares will be maintained at current levels prevailing as at the Latest Practicable Date after the close of the Exit Offer.**

Shareholders should note that they should not rely on the advice of Xandar to the Independent Directors as the sole basis for deciding whether or not to accept the Exit Offer.

In rendering the above advice and giving the above recommendation, the Independent Directors have not taken into consideration nor had regard to the general or specific investment objectives, financial situation, risk profiles, tax position and/or particular or unique needs and constraints of any individual Shareholder. As different Shareholders have different investment profiles and objectives, the Independent Directors recommend that any Shareholder who may require specific advice in relation to the Exit Offer consults his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

### 13. EXTRAORDINARY GENERAL MEETING

The EGM, as convened by the notice enclosed with this Circular, will be held at Ballroom A, Swissotel Merchant Court, 20 Merchant Road, Singapore 058281. The purpose of the EGM is for Shareholders to consider and, if thought fit, pass, on a poll, with or without amendments, the Delisting Resolution set out in the Notice of EGM on page N-1 of this Circular.

### 14. ACTION TO BE TAKEN BY SHAREHOLDERS

#### 14.1 Voting at the EGM

Shareholders will find enclosed with this Circular, the Notice of EGM and a proxy form. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's registered office at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957, not less than 48 hours before the time of the EGM on 14 November 2018 at 10.00 a.m.. Completion and return of a proxy form by a Shareholder will not prevent him from attending and voting in person at the EGM if he so wishes, in place of his proxy.

#### 14.2 Acceptance of the Exit Offer

The Exit Offer Letter and the Acceptance Forms have been despatched together with this Circular.

As stated in the Exit Offer Letter, if you have Offer Shares standing to the credit of the "Free Balance" of your Securities Account, you should receive the Exit Offer Letter together with a FAA. If you have not received a FAA, you may obtain a copy, upon production of satisfactory evidence that you are a Shareholder, from CDP at **9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588**. Electronic copies of the FAA may also be obtained on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

If you hold Offer Shares in scrip form, you should receive the Exit Offer Letter together with a FAT. If you have not received a FAT, you may obtain a copy, upon production of satisfactory evidence that you are a Shareholder, from the Registrar at its office located at **8 Robinson Road, #03-00 ASO Building, Singapore 048544**.

If you wish to accept the Exit Offer, you should complete, sign and deliver the relevant Acceptance Form in accordance with the provisions and instructions in the Exit Offer Letter and that Acceptance Form.



Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances are conditional and if the Delisting Resolution is not approved at the EGM, the Delisting Resolution Approval Conditions will not have been fulfilled and the Exit Offer will lapse, and the Shareholders and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder.

Those Offer Shares in respect of which acceptances have been received shall be returned to the relevant Shareholders in accordance with the procedures set out in the Exit Offer Letter and the Acceptance Forms.

If you decide to accept the Exit Offer, you should complete, sign and return the relevant Acceptance Form in accordance with the provisions and instructions in the Exit Offer Letter and that Acceptance Form.

If you decide not to accept the Exit Offer, you do not have to take any action. In the event that the Delisting Resolution is passed at the EGM, and the Company is delisted, you will continue to hold unquoted Shares in the Company as an unlisted company unless the Offeror becomes entitled to, and exercises its right to, compulsorily acquire all the Shares of the Dissenting Shareholders. If you hold Shares that are deposited with CDP, one (1) share certificate representing your delisted Shares will be sent, by ordinary post and at your own risk, to your address as such address appears in the records of CDP for your physical safekeeping after the Company has been delisted from the Official List of the SGX-ST. If you are a CPFIS Investor and/or a SRS Investor, such share certificates will be forwarded to your CPF Agent Bank and/or SRS Agent Bank (as the case may be) for their safekeeping.

The detailed procedures for acceptance and additional information on settlement of the Exit Offer are set out in **Appendix 1** to the Exit Offer Letter entitled “Procedures for Acceptance and Settlement of the Exit Offer”, and reproduced in **Appendix II** to this Circular for your information.

#### 14.3 Information pertaining to CPFIS Investors and SRS Investors

Information on the Exit Offer pertaining to CPFIS Investors and SRS Investors is set out in **paragraph 16.2** of the Exit Offer Letter entitled “Information Pertaining to CPFIS Investors and SRS Investors”.

### 15. **DIRECTORS’ RESPONSIBILITY STATEMENT**

The recommendation of the Independent Directors to Shareholders set out in **Section 12** of this Circular entitled “Independent Directors’ Recommendation” is the sole responsibility of the Independent Directors. Save for the foregoing, the Directors (including any who may have delegated detailed supervision of the preparation of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular which relate to the Company (other than those relating to the Offeror, the parties acting in concert with the Offeror, the Exit Offer, the Delisting Proposal and **Appendices I, II and IV** to this Circular) are fair and accurate and that, where appropriate, no material facts have been omitted from this Circular, and the Directors jointly and severally accept responsibility accordingly.

In respect of the IFA Letter and the Valuation Reports (set out in **Appendices I and IV** to this Circular respectively), the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Company are, to the best of their knowledge and belief, fair and accurate in all material respects.

Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information has been accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular. The Directors do not accept any responsibility for any information relating to the Delisting Proposal, the Exit Offer, the rationale for the Delisting Proposal and the Exit Offer, the Offeror or any opinion expressed by the Offeror.

## 16. CONSENTS

16.1 Xandar has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, its advice to the Independent Directors set out in **Section 11** of this Circular, the “Letter from Xandar to the Independent Directors in relation to the Exit Offer” set out in **Appendix I** to this Circular and all references thereto in the form and context in which they appear in this Circular.

16.2 Each of the Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, the “Extracts of Valuation Reports” set out in **Appendix IV** to this Circular and all references thereto in the form and context in which they appear in this Circular.

16.3 The Registrar has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, and all references thereto in the form and context in which they appear in this Circular.

## 17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered address of the Company at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957 during normal business hours, from the date of this Circular until the date of the EGM:

- (a) the Constitution;
- (b) the annual reports of the Company for FY2016, FY2017 and FY2018;
- (c) the Valuation Reports, extracts of which are set out in **Appendix IV** to this Circular;
- (d) the letter from the Offeror to the Company dated 7 September 2018 in respect of the Delisting Proposal;
- (e) the Exit Offer Letter from the Offeror to the Shareholders dated 29 October 2018 in respect of the Delisting Proposal;
- (f) the letters of consent referred to in **Sections 16.1, 16.2 and 16.3** of this Circular;
- (g) the IFA Letter as set out in **Appendix I** to this Circular; and
- (h) the Joint Announcement.

**18. ADDITIONAL INFORMATION**

Your attention is drawn to the Appendices which form part of this Circular.

Yours faithfully  
For and on behalf of the Board

Ong Teong Wan  
Non-Executive and Lead Independent Director  
**LTC CORPORATION LIMITED**

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## APPENDIX I – LETTER FROM XANDAR TO THE INDEPENDENT DIRECTORS IN RELATION TO THE EXIT OFFER

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29 October 2018

**LTC Corporation Limited**  
10 Arumugam Road  
#10-00 LTC Building A  
Singapore 409957

**Attention: The Independent Directors**  
(as defined below)

Dear Sirs

**LETTER FROM XANDAR CAPITAL PTE LTD TO THE INDEPENDENT DIRECTORS OF LTC CORPORATION LIMITED IN RELATION TO THE PROPOSED VOLUNTARY DELISTING OF LTC CORPORATION LIMITED AND THE EXIT OFFER MADE BY PRIMEPARTNERS CORPORATE FINANCE PTE. LTD. FOR AND ON BEHALF OF MOUNTBATTEN RESOURCES PTE. LTD. IN CONNECTION WITH THE DELISTING**

*Unless otherwise defined or the context otherwise requires, all terms used in this letter shall have the same meanings as defined in the Circular (as defined below) and/or the Exit Offer Letter, as the case may be.*

### 1. INTRODUCTION

On 7 September 2018 (the "**Joint Announcement Date**"), LTC Corporation Limited (the "**Company**") and Mountbatten Resources Pte. Ltd. (the "**Offeror**") jointly announced that the Offeror has presented to the board of directors of the Company (the "**Board**") a proposal to seek the privatisation (the "**Delisting Proposal**") of the Company by way of a voluntary delisting (the "**Delisting**") from the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Delisting is proposed to be made pursuant to Rule 1307 and Rule 1309 of the listing manual of the SGX-ST (the "**Listing Manual**").

Under the Delisting Proposal, PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**"), for and on behalf of the Offeror, will make an exit offer (the "**Exit Offer**") to acquire all the issued ordinary shares in the share capital of the Company (the "**Shares**") held by the shareholders of the Company (the "**Shareholders**"), other than Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations or their respective nominees.

The Board has considered the Delisting Proposal made by the Offeror and as a result has resolved to make an application to the SGX-ST for approval of the Delisting and to convene an extraordinary general meeting of the Company (the "**EGM**") in due course to seek the approval of the Shareholders in respect of the resolution for the Delisting (the "**Delisting Resolution**").

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**Xandar Capital Pte Ltd 威豪金融 (私人) 有限公司** (Registration No. 200002789M)  
Address 地址 3 Shenton Way, #24-02 Shenton House, Singapore 068805 珊顿道 3 号, 珊顿大厦#24-02, 新加坡 068805  
Tel 电话 (65) 6319 4950 Fax 传真 (65) 6227 3936 Website 网址 <http://www.xandarcapital.com>

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On 24 September 2018, the Company made an application to the SGX-ST to delist the Company from the Official List of the SGX-ST. On 19 October 2018, the SGX-ST confirmed that it has no objection to the Delisting, subject to, the approval by the Shareholders in accordance with Rule 1307 of the Listing Manual and the fulfilment of all other conditions precedent to the Delisting. The SGX-ST's decision is not an indication of the merits of the Delisting.

Pursuant to Rule 1309 of the Listing Manual, a company seeking to delist from the Official List of the SGX-ST is required to (a) offer a reasonable exit alternative, which should normally be in cash, to the shareholders and holders of any other classes of listed securities to be delisted; and (b) appoint an independent financial adviser ("**IFA**") to advise on the exit offer.

Xandar Capital Pte Ltd ("**Xandar Capital**") has been appointed by the Company to act as the IFA pursuant to Rule 1309 of the Listing Manual as well as to advise the Directors who are considered independent for the purposes of the Exit Offer, namely Mr Ong Teong Wan, Dato' Mazlan Bin Dato' Seri Harun and Mr Chay Yee (collectively, the "**Independent Directors**"), for the purpose of making their recommendation in relation to the Delisting Resolution to the Shareholders.

This letter (this "**IFA Letter**") is issued pursuant to Rule 1309 of the Listing Manual as well as addressed to the Independent Directors, and sets out, *inter alia*, our evaluation and advice on the terms of the Exit Offer. This IFA Letter forms part of the Company's circular to its Shareholders dated 29 October 2018 (the "**Circular**").

### 2. TERMS OF REFERENCE

We are not and were not involved in any aspect of the deliberations leading up to the making of the Delisting Proposal or the Exit Offer. Our evaluation is limited to the terms of the Exit Offer, and does not take into account the legal risks, commercial risks or merits, financial risks or merits of the Delisting and the Exit Offer.

Our terms of reference do not require us to express, evaluate or comment on the rationale for, strategic or commercial merits and/or risks of the Delisting and the Exit Offer, or the future performance or prospects of the Company, its subsidiaries and associated companies (the "**Group**"). We are, therefore, not expressing any opinion herein as to the future financial or other performance of the Company or the Group.

We have not been requested, instructed or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to any other proposals for transactions similar to or in lieu of the Exit Offer. In this regard, we are not addressing the relative merits of the Exit Offer as compared to any alternative transaction.

In the course of our evaluation and for the purpose of providing our opinion in relation to the Exit Offer, we have held discussions with certain Directors and management of the Company and have examined information provided by the Directors and management of the Company (including the Circular and the Exit Offer Letter) and other publicly available information collated by us, upon which our view is based. We have not independently

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## APPENDIX I – LETTER FROM XANDAR TO THE INDEPENDENT DIRECTORS IN RELATION TO THE EXIT OFFER

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verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have nevertheless made enquiries and used our judgment as we deemed necessary or appropriate in assessing such information and are not aware of any reason to doubt the accuracy or reliability of the information.

We have relied upon the assurance of the Directors that the Directors (including any who may have delegated detailed supervision of the preparation of the Circular), having taken all reasonable care, jointly and severally, accept responsibility for the fairness and accuracy of the facts stated and all opinions expressed in the Circular which relate to the Company (other than those relating to the Offeror, the parties acting in concert with the Offeror, the Exit Offer, the Delisting Proposal and Appendices I, II and IV to the Circular) and there are no material facts which have been omitted from the Circular. Where information in the Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information has been accurately extracted from those sources or, as the case may be, accurately reflected or reproduced in the Circular. In relation to this IFA Letter, the Directors have confirmed that the facts stated herein with respect to the Company are, to the best of their knowledge and belief, fair and accurate in all material respects.

We have not made any independent evaluation or appraisal of the assets or liabilities (including without limitation, real property) of the Group. The Company has commissioned independent valuers to value its properties which accounted for more than 5% of the Group's NAV as at 30 June 2018. We have been furnished with the following:

- (a) valuation report from Knight Frank Pte Ltd for the Group's investment properties in Singapore;
- (b) valuation reports from Knight Frank Pte Ltd for the Group's industrial buildings in Singapore classified under property, plant and equipment;
- (c) valuation report from PPC International Sdn Bhd for its parcels of undeveloped land in Malaysia classified under properties under development; and
- (d) valuation report from Knight Frank Malaysia Sdn Bhd for a hypermarket in Malaysia classified under completed properties held for sale,

(collectively, the "**Valuation Reports**"), extracts of which are set out in Appendix IV to the Circular.

We have placed sole reliance thereon for the valuation and/or information contained therein. We have not been involved in preparing and assume no responsibility for the Valuation Reports. We have also not made any independent verification of the matters or bases set out in the Valuation Reports.

Our opinion is based upon prevailing market, economic, industry, monetary and other conditions (where applicable) and the information made available to us contained in the

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Circular and the Exit Offer Letter as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained therein. Shareholders should take note of any announcements relevant to their consideration of the Delisting and the Exit Offer, which may be released by the Company and/or the Offeror after the Latest Practicable Date.

**In arriving at our opinion, we did not consider the specific investment objectives, financial situation, tax consequences, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment objectives or portfolios should consult his or their legal, financial, tax or other professional advisors immediately.**

**Our opinion is for the use and benefit of the Independent Directors in their deliberation of the Exit Offer, and the recommendations made by the Independent Directors shall remain the responsibility of the Independent Directors.**

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

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

We recommend that the Independent Directors advise the Shareholders to read these pages carefully.

### 3. THE DELISTING PROPOSAL AND THE EXIT OFFER

The salient terms of the Delisting Proposal and the Exit Offer are set out in Sections 2 and 3 of the Circular. Shareholders are advised to refer to these sections for further details.

#### 3.1 Exit Offer Price

Under the Delisting Proposal, PrimePartners Corporate Finance Pte. Ltd., for and on behalf of the Offeror, will make the Exit Offer in cash for all the Offer Shares. The offer price for each Offer Share tendered in acceptance of the Exit Offer is S\$0.925 in cash (the “**Exit Offer Price**”).

The Exit Offer is extended to all of the Shares, other than Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations or their respective

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## APPENDIX I – LETTER FROM XANDAR TO THE INDEPENDENT DIRECTORS IN RELATION TO THE EXIT OFFER

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nominees. Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of the Offer Shares.

### 3.2 No Encumbrances

The Offer Shares will be acquired (a) fully paid; (b) free from all claims, charges, liens, mortgages, encumbrances, hypothecation, retention of title, power of sale, equity, options, rights of pre-emption, rights of first refusal or other third party rights or interests of any nature (“**Encumbrances**”); and (c) together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain (if any) all dividends, rights, other distributions and return of capital (collectively, the “**Distributions**”) announced, declared, paid or made by the Company on or after the Joint Announcement Date.

If any Distribution is announced, declared, paid or made by the Company on or after the Joint Announcement Date to a Shareholder who accepts or has accepted the Exit Offer and the settlement date in respect of the Offer Shares tendered in acceptance of the Exit Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offeror reserves the right to reduce the Exit Offer Price payable to such accepting Shareholder by the amount of such Distribution.

Since the Joint Announcement Date up to the Latest Practicable Date, the Company has not declared, made or paid any Distribution.

### 3.3 Conditions to the Delisting and the Exit Offer

The Delisting and the Exit Offer are conditional on:

- (a) the SGX-ST agreeing to the application by the Company to delist from the Official List of the SGX-ST; and
- (b) the Delisting Resolution being passed at the EGM in the manner described in Section 2.1 of the Circular.

Please refer to Section 3.4 of the Circular for the conditions.

### 3.4 Acceptances

Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of the Offer Shares. The Exit Offer is conditional on the conditions set out in paragraph 3.3 of this IFA Letter being satisfied. The Exit Offer is not conditional upon a minimum number of acceptances being received by the Offeror.

### 3.5 Warranty

A Shareholder who tenders his Offer Shares in acceptance of the Exit Offer will be deemed to unconditionally and irrevocably warrant to the Offeror that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits and entitlements attached thereto

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as at the Joint Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain (if any) all Distributions announced, declared, paid or made by the Company on or after the Joint Announcement Date.

### 3.6 The Exit Offer Period

If the Delisting Resolution is passed at the EGM, the Exit Offer will remain open for acceptance by the Shareholders for a period of at least 14 days after the date of announcement of the Shareholders' approval of the Delisting Resolution at the EGM. Accordingly, if the Delisting Resolution is approved by the Shareholders at the EGM, the Exit Offer will close at **5.30 p.m. (Singapore time) on 28 November 2018** or such later date(s) as may be announced from time to time by or on behalf of the Offeror (the "**Closing Date**").

### 3.7 Irrevocable Undertaking

As at the Joint Announcement Date, the Offeror has obtained an irrevocable undertaking (the "**Irrevocable Undertaking**") from Mountbatten Enterprises Pte. Ltd. (the "**Undertaking Shareholder**").

As at the Latest Practicable Date, the Undertaking Shareholder had 138,366,568 Shares (the "**Undertaking Shares**"), representing approximately 88.44% of the total number of issued Shares as at the Latest Practicable Date.

Pursuant to the Irrevocable Undertaking, the Undertaking Shareholder has irrevocably undertaken to, *inter alia*:

- (a) vote in favour of the Delisting Resolution in respect of all its Shares;
- (b) subject to and contingent upon the release and discharge of a share charge dated 7 February 2018 made in favour of Oversea-Chinese Banking Corporation Limited, tender all the Shares that it holds in aggregate as at the date of the Irrevocable Undertaking and any other Shares which it may subsequently acquire (directly or indirectly or through a nominee) after the date of the Irrevocable Undertaking, in acceptance of the Exit Offer within three business days from the date of the Shareholders' approval of the Delisting Resolution being obtained at the EGM or such later date as may be agreed between Mountbatten Enterprises Pte. Ltd. and the Offeror; and
- (c) in accordance with the Irrevocable Undertaking, direct that all the consideration payable for its Offer Shares be applied to subscribe for new Offeror Shares on or after the close of the Exit Offer at the issue price of S\$1 per Offeror Share (the "**Reinvestments**").

Save as disclosed in the Circular, as at the Latest Practicable Date, none of the Offeror and any party acting in concert with it has received any irrevocable undertaking from any party to accept or reject the Exit Offer.

## APPENDIX I – LETTER FROM XANDAR TO THE INDEPENDENT DIRECTORS IN RELATION TO THE EXIT OFFER



#### 4. INFORMATION ON THE COMPANY

The Company was incorporated in Singapore on 21 May 1964 and has been listed on the Mainboard of the SGX-ST since 17 April 1997.

As at the Latest Practicable Date, the Company has an issued and paid-up capital comprising 156,453,000 Shares. As at the Latest Practicable Date, the Company does not hold any treasury shares and convertible securities.

Based on the Exit Offer Price of S\$0.925 for each Share, the total value assigned to the Company is S\$144,719,025.00 (the “Exit Offer Consideration”).

Additional information on the Company and the Group can be found in Appendix III to the Circular.

#### 5. INFORMATION ABOUT THE GROUP

##### 5.1 Business Segments

We set out the breakdown of the Group’s revenue by business segments as follows:

	Financial year ended 30 June (“FY”)					
	2016		2017		2018	
	S\$’000	As a percentage of annual revenue	S\$’000	As a percentage of annual revenue	S\$’000	As a percentage of annual revenue
Steel trading	92,898	71.68	107,475	80.14	120,976	93.63
Property development	28,845	22.26	18,798	14.02	539	0.42
Property rental	7,801	6.02	7,803	5.82	7,657	5.93
Sub-total	129,544	99.96	134,076	99.98	129,172	99.97 <sup>(1)</sup>

**Note:**

(1) Due to rounding differences.

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### 5.2 Geographical Segments

We set out the breakdown of the Group's revenue by geographical segments as follows:

	FY2016		FY2017		FY2018	
	S\$'000	As a percentage of annual revenue	S\$'000	As a percentage of annual revenue	S\$'000	As a percentage of annual revenue
Singapore	98,058	75.66	99,133	73.92	98,347	76.12
Malaysia	31,543	24.34	34,973	26.08	30,861	23.88
Total	129,601	100.00	134,106	100.00	129,208	100.00

### 5.3 Summary of Financial Performance

We set out the key financials extracted from the income statement of the Group as follows:

S\$'000	FY2016	FY2017	FY2018
Revenue	129,601	134,106	129,208
Gross profit	13,351	22,569	17,650
Profit before taxation	7,609	13,047	6,531
Profit for the year	5,206	10,825	4,631
Profit for the year attributable to owners of the Company	6,929	8,470	2,334

### 5.4 Summary of Financial Position

We set out the key financials extracted from the statements of financial position of the Group as follows:

S\$'000	As at 30 June		
	2016	2017	2018
Current assets	119,769	135,211	129,112
Current liabilities	(28,990)	(34,869)	(34,721)
Net current assets	90,779	100,342	94,391
Non-current assets	199,421	193,934	207,796
Non-current liabilities	(4,136)	(4,672)	(3,786)
Net assets	286,064	289,604	298,401
Less: Non-controlling interest	(34,525)	(35,073)	(37,785)
Net assets attributable to equity holders of the Company ("NAV")	251,539	254,531	260,616

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As the Company did not have intangible assets as at the respective financial year end, its NAV is the same as its net tangible assets (“NTA”).

We also set out below, assets which accounted for more than 5% of the NAV as at the end of the respective financial year end as follows:

	As at 30 June					
	2016		2017		2018	
	S\$'000	As a percentage of NAV	S\$'000	As a percentage of NAV	S\$'000	As a percentage of NAV
Investment properties	118,000	46.91	118,000	46.36	118,000	45.28
Inventories	39,714	15.79	50,225	19.73	45,046	17.28
Total cash balances (including fixed deposit)	34,388	13.67	48,854	19.19	41,319	15.85
Joint venture company	24,071	9.57	22,237	8.74	36,631	14.06
Trade debtors	16,433	6.53	19,482	7.65	26,926	10.33
Property, plant and equipment	29,871	11.88	27,300	10.73	25,856	9.92
Properties under development	13,325	5.30	14,128	5.55	15,699	6.02
Completed properties held for sale	27,921	11.10	13,279	5.22	13,878	5.33

### 6. INFORMATION ON THE OFFEROR

The Offeror is a special purpose vehicle which has been incorporated in Singapore for the purposes of the Exit Offer. Its principal activity is investment holding.

As at the Latest Practicable Date, the Offeror is jointly owned by each of Tan Sri Cheng Yong Kim, Mr Cheng Yong Kwang, Mr Cheng Yong Liang and Mr Cheng Yoong Choong as the Controlling Shareholders in equal proportions and has an initial issued and paid-up share capital of S\$4 comprising four ordinary shares (the “Offeror Shares”) with each of the Controlling Shareholders owning one Offeror Share.

The board of directors of the Offeror comprises four members, consisting of each of the Controlling Shareholders. As at the Latest Practicable Date, the Offeror does not own or have control over any Shares.

Please refer to Section 5 of the Circular for information on the Offeror.

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### 7. RATIONALE FOR THE DELISTING AND THE EXIT OFFER

The rationale for the Delisting and the Exit Offer can be found in Section 8 of the Circular and are summarised as follows:

- (a) the Exit Offer represents a cash exit opportunity for Shareholders who did not manage to tender their acceptances in respect of the VGO prior to the close of the VGO on 25 June 2018;
- (b) the Exit Offer represents a unique cash exit opportunity for Shareholders to liquidate and realise their entire investment, an option which may not otherwise be readily available due to the low trading liquidity of the Shares; and
- (c) since the year 2000, the Company has not carried out any exercise to raise equity capital on the SGX-ST. It is not necessary for the Company to maintain its listing on the SGX-ST and continue to incur compliance and associated costs relating to continuing listing requirements under the Listing Manual.

### 8. EVALUATION OF THE EXIT OFFER

The following are the factors we considered to be pertinent and important in our evaluation of the Exit Offer:

- (a) the historical performance of the Shares;
- (b) the Irrevocable Undertaking from Mountbatten Enterprises Pte. Ltd.;
- (c) the financial performance of the Group;
- (d) the financial position of the Group;
- (e) the revalued NAV ("**RNAV**") of the Group;
- (f) the historical trading price to NAV ratio of the Shares;
- (g) the valuation of the Group implied by the Exit Offer Price versus the valuation of companies comparable to the Group;
- (h) comparison with recent privatisation transactions
- (i) comparison with companies which have undertaken a cash offer before or after voluntary delisting; and
- (j) other considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

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### 8.1 The Historical Performance of the Shares

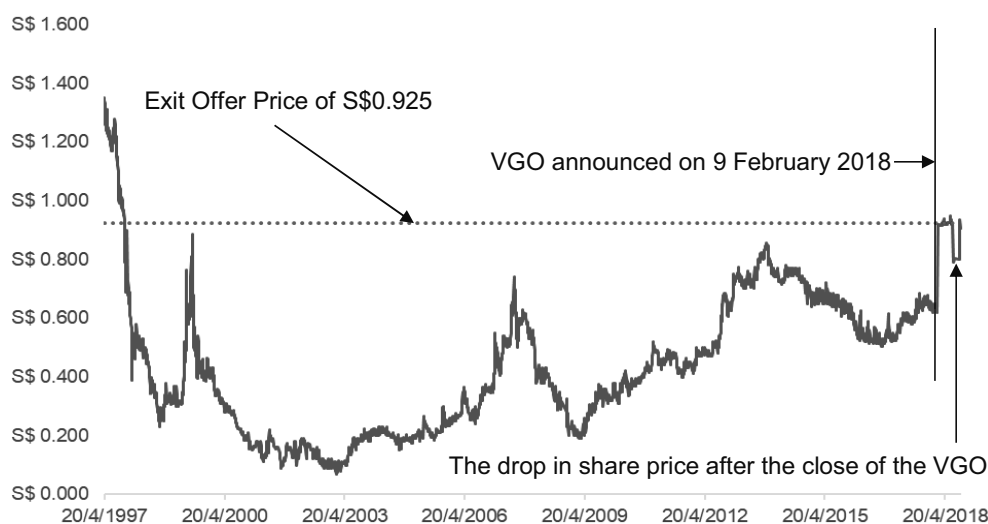
The Company was listed on the Mainboard of the SGX-ST on 17 April 1997.

On 9 February 2018, Mountbatten Enterprises Pte. Ltd. announced its intention to undertake a voluntary conditional cash offer for the Shares (the “VGO”). Mountbatten Enterprises Pte. Ltd. is a special purpose vehicle incorporated in Singapore on 15 January 2018 for the purposes of the VGO and did not hold any Shares as at the date of announcement of the VGO. The VGO closed on 25 June 2018. On 7 September 2018, the Company and the Offeror jointly announced the Delisting Proposal and the Exit Offer.

The Exit Offer Price is the same as the price offered by Mountbatten Enterprises Pte. Ltd. in the VGO (the “Offer Price”).

As mentioned in the offer document dated 26 February 2018 issued by Mountbatten Enterprises Pte. Ltd. to the Shareholders, the Offer Price exceeds the highest closing price of the Company since the year 2000 up to and including 8 February 2018, being the last full market day preceding the announcement of the VGO.

We set out the chart showing the closing price of the Shares relative to the Exit Offer Price since its listing to the Latest Practicable Date:



Source: Bloomberg L.P

As set out above, save for the period before 1998 and the period after the announcement of the VGO, the closing prices of the Shares were below the Exit Offer Price. The Shares did not close above the Exit Offer Price for 20 years before the announcement of the VGO.

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We also tabulate below the trading statistics of the Shares since 10 February 2017, being the 12-month period prior to the announcement of the VGO, up to the Latest Practicable Date:

	Highest price S\$ <sup>(1)</sup>	Lowest price S\$ <sup>(2)</sup>	VWAP S\$ <sup>(3)</sup>	Premium/ (Discount) of Exit Offer Price to VWAP %	Average daily trading volume <sup>(4)</sup>
<b><u>Prior to the announcement of the VGO</u></b>					
Last 12 months	0.700	0.540	0.619	49.43	41,360
Last 6 months	0.700	0.600	0.642	44.08	43,506
Last 3 months	0.680	0.600	0.636	45.44	26,931
Last 1 month	0.655	0.600	0.633	46.13	34,496
8 February 2018, the last trading day before the announcement of the VGO	0.650	0.640	0.645	43.41	33,400
<b><u>During the VGO period (9 February 2018 to 25 June 2018)</u></b>					
9 February 2018 to 8 April 2018 (the date on which the VGO was declared unconditional)	0.940	0.910	0.917	0.87	225,787
9 April 2018 to 25 June 2018 (being the closing date of the VGO)	0.950	0.920	0.926	(0.11)	19,903
9 February 2018 to 25 June 2018 (the VGO offer period)	0.950	0.910	0.918	0.76	122,845
<b><u>After the close of the VGO (26 June 2018) to the Joint Announcement Date</u></b>					
26 June 2018 to 7 September 2018 (being the Joint Announcement Date)	0.935	0.790	0.875	5.71	1,500
<b><u>Prior to the Joint Announcement Date</u></b>					
Last 12 months	0.950	0.600	0.832	11.18	73,330
Last 6 months	0.950	0.790	0.920	0.54	65,738
Last 3 months	0.935	0.790	0.905	2.21	1,760
Last 1 month	0.935	0.800	0.914	1.20	2,000

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	Highest price S\$( <sup>1</sup> )	Lowest price S\$( <sup>2</sup> )	VWAP S\$( <sup>3</sup> )	Premium/ (Discount) of Exit Offer Price to VWAP %	Average daily trading volume ( <sup>4</sup> )
4 September 2018, the last trading day before the Joint Announcement Date	0.935	0.930	0.934	(0.96)	3,400
<b><u>After the Joint Announcement Date</u></b>					
8 September 2018 to the Latest Practicable Date	0.930	0.905	0.921	0.43	11,800

Source: *Bloomberg L.P.*

**Notes:**

- (1) The highest price refers to the highest trading price during the relevant period.
- (2) The lowest price refers to the lowest trading price during the relevant period.
- (3) The volume weighted average price ("VWAP") of the Shares over the relevant period, rounded to the nearest three decimal places.
- (4) The average daily trading volume of the Shares is computed based on the total volume of Shares traded during the relevant period, divided by the number of days on which the Shares were traded during the relevant period.

As set out in the above table:

- (i) the trading prices of the Shares were supported by the Offer Price during the period of the VGO;
- (ii) the trading prices of the Shares dropped to S\$0.79 after the close of the VGO;
- (iii) after the close of the VGO and up to the Joint Announcement Date, the Shares only traded above the Exit Offer Price on 4 September 2018. A total of 3,400 Shares traded at between S\$0.93 and S\$0.935 on 4 September 2018;
- (iv) after the Joint Announcement Date and up to the Latest Practicable Date, the Shares were supported by the Exit Offer and traded around the Exit Offer Price;
- (v) before the announcement of the VGO, the average daily trading volume of the Shares had been below 50,000 Shares. During the period of the VGO, the average daily trading volume of the Shares increased to over 100,000 Shares; and
- (vi) the average daily trading volume of the Shares dropped after the close of the VGO. In addition, after the close of the VGO on 25 June 2018 and up to 7 September 2018, being the Joint Announcement Date, the Shares were only traded on four (4) market days out of a total of 52 market days. After the Joint Announcement Date

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and up to the Latest Practicable Date, the Shares were traded on five (5) market days out of a total of 30 market days.

Shareholders should also note that the decrease in average daily trading volume of the Shares after the close of the VGO can be attributed to the high number of Shares tendered for acceptance by the close of the VGO.

We note that Mountbatten Enterprises Pte. Ltd. received irrevocable undertakings from the then controlling shareholders of the Company and their associates (namely, Cheng Yong Kim, Cheng Yong Kwang, Cheng Yong Liang, Cheng Yoong Choong, Lion Investment (Singapore) Pte. Ltd., Lion Realty Private Limited., Cheng Theng Kee, Chen Shok Ching, Cheng Huay Joo, Cheng Hwee Wah and Thiang Thin Poh Joseph) that they will tender in acceptance for the VGO, an aggregate of 75,944,000 Shares, representing approximately 48.54% of the total number of Shares as at the announcement of the VGO. However, as announced by Mountbatten Enterprises Pte. Ltd. after the close of the VGO, it had received valid acceptances for 138,366,568 Shares, representing approximately 88.44% of the total number of issued Shares. As at the Latest Practicable Date, based on publicly available information, apart from Mountbatten Enterprises Pte. Ltd., there is no other substantial Shareholder. Accordingly, the number of Shares held by public shareholders has decreased from 79,005,000 Shares as at 19 February 2018 to 18,085,432 Shares, representing approximately 11.56% of the total number of issued Shares.

### 8.2 The Irrevocable Undertaking from Mountbatten Enterprises Pte. Ltd.

Mountbatten Enterprises Pte. Ltd. is a special purpose vehicle incorporated in Singapore on 15 January 2018 to undertake the VGO. After the close of the VGO on 25 June 2018, Mountbatten Enterprises Pte. Ltd. received, in total, 138,366,568 Shares representing approximately 88.44% of the total number of issued Shares.

There is no change to the number of Shares held by Mountbatten Enterprises Pte. Ltd. as at the Latest Practicable Date. Mountbatten Enterprises Pte. Ltd. has given the Irrevocable Undertaking to the Offeror to, *inter alia*, vote in favour of the Delisting Resolution in respect of all its Shares.

This is higher than the 75% of the total number of issued Shares (excluding treasury shares) required for the approval of the Delisting Resolution.

As at the Latest Practicable Date, based on publicly available information, apart from Mountbatten Enterprises Pte. Ltd., there is no other substantial Shareholder.

**Unless the Delisting Resolution is voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM, the Delisting Resolution is assured of being passed at the EGM.**

Furthermore, as stated in the Exit Offer Letter, when entitled, the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act. Pursuant to the Irrevocable Undertaking, Mountbatten Enterprises Pte. Ltd. has undertaken to accept the Exit Offer within three business days from the date of the Shareholders'

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approval of the Delisting Resolution being obtained at the EGM subject to the release and discharge of a share charge dated 7 February 2018 made in favour of Oversea-Chinese Banking Corporation Limited. If Oversea-Chinese Banking Corporation Limited does not agree to the release and discharge of the share charge, the Offeror will not acquire sufficient Shares to trigger compulsory acquisition under either Section 215(1) or 215(3) of the Companies Act, and Shareholders who do not tender their acceptance of the Exit Offer after the receipt of Shareholders' approval of the Delisting Resolution will remain as shareholders of an unlisted company. Please refer to paragraph 8.10(c) of this IFA Letter for the implications holding Shares in an unlisted company.

### 8.3 The Financial Performance of the Group

As set out in paragraph 5.1 of this IFA Letter:

- (i) the Group's revenue from its steel trading segment increased from S\$92.90 million for FY2016 to S\$120.98 million for FY2018. The percentage contribution from the steel trading segment also increased from 71.68% of the Group's revenue for FY2016 to 93.63% of the Group's revenue for FY2018. We understand that the increase in the revenue from the steel trading segment from FY2016 to FY2017 was due mainly to rising steel prices and higher tonnage delivered, while the higher revenue from the steel trading segment for FY2018 can be attributed to higher demand from Singapore. Revenue from this segment is dependent on the demand from the construction industry;
- (ii) the Group's revenue from its property development segment decreased significantly from S\$28.85 million for FY2016 to S\$539,000 for FY2018. The percentage contribution from the property development segment also decreased from 22.26% of the Group's revenue for FY2016 to 0.42% of the Group's revenue for FY2018. As at 30 June 2018, the Group's properties under development comprised only undeveloped parcels of land in Malaysia;
- (iii) the Group's revenue from its property rental segment had been relatively stable at S\$7.80 million, S\$7.80 million and S\$7.66 million for FY2016, FY2017 and FY2018 respectively. The percentage contribution from the property rental segment remained at approximately 6% of the Group's revenue for FY2016, FY2017 and FY2018. The Group does not expect rental rates and occupancy for its investment properties in Singapore to change significantly in the current year;
- (iv) in FY2017, the decrease in the revenue from the property development segment was entirely offset by the increase in revenue from the steel trading segment. As a result, total revenue increased from S\$129.60 million for FY2016 to S\$134.11 million for FY2017. In FY2018, the decrease in the revenue from the property development segment was only partially offset by the increase in revenue from the steel trading segment. As a result, total revenue decreased by S\$4.90 million from S\$134.11 million for FY2017 to S\$129.21 million for FY2018; and
- (v) the Group's profits for FY2018 decreased significantly as a result of the lower group revenue in FY2018. Gross profit decreased by S\$4.92 million from S\$22.57 million for FY2017 to S\$17.65 million for FY2018. Profit after tax decreased by S\$6.19

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million from S\$10.83 million for FY2017 to S\$4.63 million for FY2018. Profit after tax attributable to owners of the Company decreased by S\$6.14 million from S\$8.47 million for FY2017 to S\$2.33 million for FY2018.

### Financial ratios implied by the Exit Offer

Based on the latest full year profit attributable to owners of the Company of S\$2.23 million for FY2018, the price to earnings ratio (“**PER**”) of the Group as implied by the Exit Offer Price is 62.00 times.

We also calculate the enterprise value (“**EV**”) and the earnings before interest, tax, depreciation and amortisation (“**EBITDA**”) of the Group as follows:

<b>EV</b>	S\$'million	<b>EBITDA</b>	S\$'million
Exit Offer Consideration	144.72	Profit before taxation	6.53
Add: Non-controlling interest	37.79	Less: Interest income	(0.44)
Add: Total debt	0.02	Add: interest expenses	0.71
Less: Cash and cash equivalents	(41.32)	Add: Depreciation	2.79
	<u>141.20</u>		<u>9.59</u>

As set out above, the EV/EBITDA of the Group as implied by the Exit Offer Price is 14.72 times.

### 8.4 The Financial Position of the Group

As set out in paragraph 5.4 of this IFA Letter:

- (i) the Group had reported healthy working capital position as at 30 June 2016, 30 June 2017 and 30 June 2018, respectively;
- (ii) the Group had insignificant borrowings as at 30 June 2016, 30 June 2017 and 30 June 2018, respectively;
- (iii) investment properties, which remained stable at S\$118.00 million as at 30 June 2016, 30 June 2017 and 30 June 2018, respectively, accounted for the largest portion of the Group’s NAV as at 30 June 2016, 30 June 2017 and 30 June 2018, respectively;
- (iv) inventories accounted for the second largest portion of the Group’s NAV as at 30 June 2016, 30 June 2017 and 30 June 2018, respectively;
- (v) as at 30 June 2018, the other assets which accounted for more than 5% of the Group’s NAV were cash and cash equivalents of S\$41.32 million, the Group’s investments in joint venture companies (namely, USP Equity Sdn. Bhd. since November 2015 and Regata Maju Sdn Bhd since July 2017) of S\$36.63 million, trade debtors of S\$26.93 million, property, plant and equipment of S\$25.86 million,

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properties under development of S\$15.70 million and completed properties held for sale of S\$13.88 million; and

- (vi) given the profitable track records of the Group as set out in paragraph 5.3 of this IFA Letter, the Group's NAV had increased from S\$251.54 million as at 30 June 2016 to S\$260.62 million as at 30 June 2018.

### Financial ratios implied by the Exit Offer Consideration

Based on the latest NAV of the Group of S\$260.62 million as at 30 June 2018, the price to NAV ("P/NAV") ratio of the Group implied by the Exit Offer Price is 0.56 times, or a discount of 44.47% to the latest NAV of the Group.

The P/NTA of the Group is the same as the P/NAV as the Group did not have any intangible assets as at 30 June 2018.

### 8.5 Revalued NAV of the Group

As mentioned above, we have identified the assets which accounted for more than 5% of the Group's NAV as at 30 June 2018 to be investment properties, inventories, cash and cash equivalents, the Group's investments in joint venture companies, trade debtors, property, plant and equipment, properties under development and completed properties held for sale.

We have discussed each of the abovementioned assets with the Company as follows:

- (i) investment properties

As at 30 June 2018, the Group's investment properties comprised the four blocks of buildings owned by the Group in Singapore. Save for the premises retained by the Group for its own use, the Group has leased the premises to third party tenants. The rental period provided for under the lease agreements range from one (1) year to three (3) years. The value of the investment properties remained stable at S\$118.00 million as at 30 June 2016, 30 June 2017 and 30 June 2018 respectively. Nevertheless, given that the value of the investment properties accounted for 45.28% of the Group's NAV as at 30 June 2018, the Company has commissioned Knight Frank Pte Ltd to conduct a valuation of the investment properties as at 12 September 2018. The summary valuation letter from Knight Frank Pte Ltd is appended as Appendix IV to the Circular. The valuation value is the same as the book value carried in the Group's balance sheet as at 30 June 2018. Hence, there is no revaluation surplus or deficit arising from this valuation.

- (ii) inventories

As at 30 June 2018, the Group's inventories comprised mainly trading stocks and goods in transit in relation to the Group's steel trading business. We calculated the inventory turnover period of the Group (using the Group's cost of sales as the denominator) to be 108 days, 147 days and 156 days for FY2016, FY2017 and FY2018 respectively. Although the Group's inventory turnover days have been

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increasing, the inventory turnover days of 156 days for FY2018 was lower than those of its steel trading comparables.

We calculated the inventory turnover days of the steel trading comparables (using the cost of sales or purchases and changes in inventories as reported by the respective comparables as the denominators) of the Group to be as follows:

SGX-ST Listed Company	Financial year ended	Inventory turnover days
AnnAik Limited	31 December 2017	192
Asia Enterprises Holding Limited	31 December 2017	222
HUPSteel Limited	30 June 2018	241
Sin Ghee Huat Corporation Ltd	30 June 2018	489

(iii) cash and cash equivalents

As at 30 June 2018, the Group's cash and cash equivalents comprised largely fixed deposits as well as cash and bank balances.

(iv) the Group's investments in joint venture companies

As at 30 June 2018, the Group's carrying value of its investments in joint venture companies comprised mainly (a) cost of acquisition of 50% interest in USP Equity Sdn. Bhd. in November 2015 which amounted to S\$23.15 million; and (b) cost of the acquisition of 40% interests in Regata Maju Sdn Bhd in July 2017 which amounted to S\$8.24 million and subsequent advances to Regata Maju Sdn Bhd.

As the negative contribution from both joint venture companies for FY2018 amounted to only S\$144,000, no impairment was recognised for both joint venture companies in FY2018.

(v) trade debtors

As at 30 June 2018, the Group's trade debtors amounted to S\$26.93 million. We calculated the trade debtors' turnover days of the Group to be 55 days, 49 days and 66 days for FY2016, FY2017 and FY2018 respectively. The Group's trade debtors' turnover days of 66 days was lower than those of its steel trading comparables.

We calculated the trade debtors' turnover days of the steel trading comparables of the Group to be as follows:

SGX-ST Listed Company	Financial year ended	Trade debtors' turnover days
AnnAik Limited	31 December 2017	75
Asia Enterprises Holding Limited	31 December 2017	74
HUPSteel Limited	30 June 2018	113 <sup>(1)</sup>

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SGX-ST Listed Company	Financial year ended	Trade debtors' turnover days
Sin Ghee Huat Corporation Ltd	30 June 2018	105

**Note:**

(1) Calculated using 'trade and other receivables' as the breakdown of trade receivables and other receivables as at 30 June 2018 is not disclosed in the results announcement dated 28 August 2018.

(vi) property, plant and equipment

As at 30 June 2018, the Group's property, plant and equipment comprised mainly its industrial buildings as well as plant and machinery utilised for its steel projects. The Company has commissioned Knight Frank Pte Ltd to conduct a valuation of its industrial buildings. The summary valuation letter from Knight Frank Pte Ltd is appended as Appendix IV to the Circular. The total revaluation surplus arising from these valuations is S\$11,000.

(vii) properties under development

As at 30 June 2018, the Group's properties under development comprised mainly parcels of undeveloped commercial or industrial land in Malaysia. Majority of the land requires the Group to inject further capital to improve its marketability, such as improving the state of land for development, building roads for accessibility, and constructing relevant facilities such as water tanks and pipings.

The Company has commissioned PPC International Sdn Bhd to conduct a valuation of its parcels of undeveloped land with a total area of 131.13 acres. The summary valuation letter from PPC International Sdn Bhd is appended as Appendix IV to the Circular. The revaluation surplus arising from this valuation is S\$17.85 million.

(viii) completed properties held for sale

As at 30 June 2018, the Group's completed properties held for sale comprised mainly a hypermarket in Malaysia. The Company has commissioned Knight Frank Malaysia Sdn Bhd to conduct a valuation of its completed properties held for sale as at 13 September 2018. The summary valuation letter from Knight Frank Malaysia Sdn Bhd is appended as Appendix IV to the Circular. The revaluation surplus arising from this valuation is S\$1.01 million.

As at 30 June 2018, the total carrying value of the abovementioned assets (which each accounted for more than 5% of the Group's NAV as at 30 June 2018) amounted to S\$323.36 million, representing 95.98% of the total assets of the Group as at 30 June 2018. The balance comprised mainly investment in associated company and long-term investments. As at the Latest Practicable Date, there is no material difference to the carrying values of these investments.

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We set out below the revaluation surpluses arising from the above-mentioned valuations as follows:

S\$'000	Net book value as at 30 June 2018 <sup>(1)</sup>	Valuation	Surplus arising from the valuation <sup>(2)</sup>
Investment properties	118,000	118,000	-
Industrial buildings	18,889	18,900	11
Land parcels in Selangor Malaysia	9,809	27,655	17,846
Hypermarket under completed properties held for sale	13,220	14,233	1,013
<b>Total</b>			<u>18,870</u>

**Notes:**

- (1) The Malaysian Ringgit (“RM”) were translated based on the exchange rate of RM1.00 to S\$0.338.  
(2) RM were translated based on the exchange rate of RM1.00 to S\$0.331.

Based on the valuation by the Valuers as set out in the above table, the Group will register a revaluation surplus of S\$18.87 million to its NAV as at 30 June 2018. We set out the RNAV of the Group as at 30 June 2018 as follows:

	<b>S\$'000</b>
NAV of the Group as at 30 June 2018	260,616
Add: Revaluation surplus	18,870
RNAV of the Group as at 30 June 2018	<u>279,486</u>
Exit Offer Consideration	144,719
Discount of Exit Offer Consideration to the RNAV of the Group (%)	48.22

Potential Tax Liabilities

We have inquired about the potential tax liabilities that could arise if the Group sells the revalued assets at the value opined by the Valuers. After consultation with the Company's tax advisers, the management calculates the tax liabilities arising from the sale of the revalued properties at their respective appraised values to be approximately S\$4.53 million.

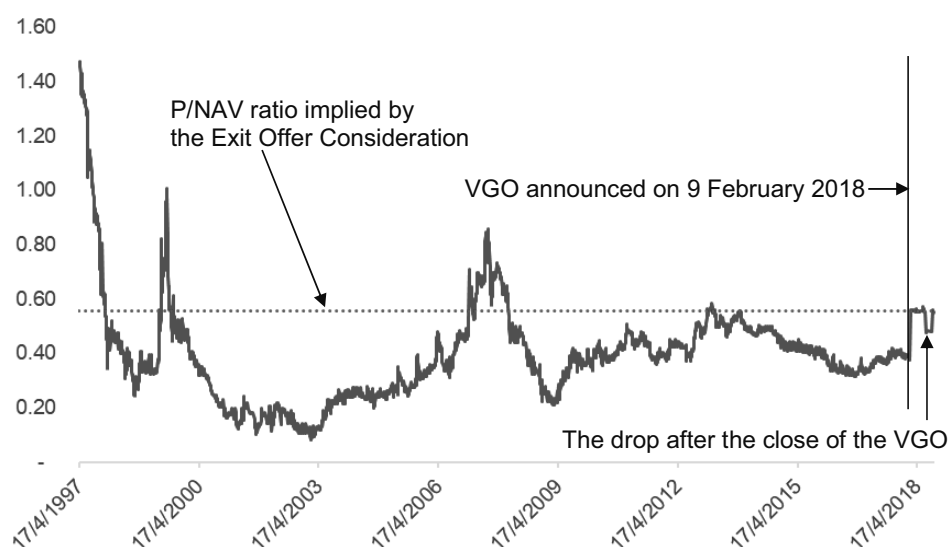
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If the potential tax liabilities of S\$4.53 million materialise, the Group's RNAV would be S\$274.96 million. The Exit Offer Consideration would then represent a discount of 47.37% to the RNAV of the Group.

### 8.6 The Historical Trading P/NAV Ratio of the Shares

For comparison, we set out the historical P/NAV ratio of the Shares since its listing on the SGX-ST in 1997 up to the Latest Practicable Date as follows:



As set out above, save for the initial year of listing (being 1997), the Shares have been trading below its NAV. The Shares have also been trading below the P/NAV ratio implied by the Exit Offer Price most of the time.

For better clarity, we tabulate below the historical average P/NAV ratio of the Shares since the listing of the Company up to 9 February 2018, being the date of the VGO:

Periods	Average P/NAV ratio for the period
<u>Before announcement of the VGO</u>	
Since listing up to 9 February 2018	0.42
10 years preceding 9 February 2018	0.42
Five (5) years preceding 9 February 2018	0.43
Three (3) years preceding 9 February 2018	0.38
One (1) year preceding 9 February 2018	0.38



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Periods	Average P/NAV ratio for the period
<u>After announcement of the VGO</u>	
Since 9 February 2018 up to the Latest Practicable Date	0.56

As set out above, the historical average P/NAV ratio of the Shares has been below 0.5 times and only improved after the announcement of the VGO.

The P/NAV ratio of the Shares as implied by the Exit Offer Price of 0.56 times is above the historical average P/NAV ratio of the Shares for the periods preceding the announcement of the VGO.

### 8.7 The Valuation of the Group implied by the Exit Offer Consideration versus the Valuation of Companies Comparable to the Group

We have applied the following valuation ratios in our analysis:

Valuation measures	General description
<b>PER</b>	The PER illustrates the ratio of the market price of a company's share relative to its historical consolidated earnings per share. The PER is affected by, <i>inter alia</i> , the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation.
<b>EV/EBITDA</b>	EV is defined as the sum of a company's market capitalisation, preferred equity, minority interests, short term and long term debts less its cash and cash equivalents.  The EV/EBITDA multiple is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance.
<b>P/NAV</b>	P/NAV ratio illustrates the ratio of the market capitalisation of a company relative to its NAV as stated in its financial statements. The NAV figure provides an estimate of the value of a company assuming the sale of all its tangible and intangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.

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Valuation measures	General description
<b>P/RNAV</b>	This multiple illustrates the market price of a company's shares relative to its RNAV (as defined herein) per share. Where the value of a company's key assets are adjusted to their current market values, the NAV figure derived is referred to as its "Revalued NAV" or "RNAV".

**(a) Steel trading comparables**

As set out in paragraph 5.1 of this IFA Letter, the Group's steel trading segment is the principal revenue contributor to the Group for FY2016, FY2017 and FY2018. Accordingly, we have identified the following steel trading companies listed on the SGX-ST as the listed comparables to the Group in our evaluation of the Exit Offer Price:

Name of comparable companies	Brief business description	Market capitalisation (S\$'million)
AnnAik Limited ("AnnAik")	The group is engaged in manufacturing forged steel flanges, and distributing stainless steel pipes, flanges, buttwelded fittings, low/high pressure fittings, valves, stub ends and flat products.	29.3
Asia Enterprises Holding Limited ("Asia Enterprises")	The group is a distributor of a range of steel products to industrial end users. It operates through three segments: steel distribution, provision of steel processing and corporate.	58.0
HUPSteel Limited ("HUPSteel")	The group is principally engaged in trading in industrial steel products, general hardware trading and property investments.	99.5
Sin Ghee Huat Corporation Ltd ("Sin Ghee Huat")	The group is engaged in the sale and distribution of stainless steel products. It trades and sells stainless steel and specialty metal products, including bars, plates, pipes, flanges, tubes and fittings.	53.3

Source: Bloomberg Finance L.P.

We have excluded HG Metal Manufacturing Limited and BRC Asia Limited as they have reported losses for their most recent completed financial period.

We recognise, however, that the list of our steel trading comparable companies is not exhaustive and the identified steel trading comparable companies may not be directly comparable to the Group in terms of asset base, business activities, scale of operations, risk profile, track record, future prospects and other relevant criteria. In view of the above, it should be noted that any comparison made with respect to the steel trading comparable

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companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Group as at the Latest Practicable Date.

The table below sets out the financial ratios of the steel trading comparable companies as at the Latest Practicable Date:

	Latest available 12 months results	Net Profit (S\$'million)	PER (times)	EV/EBITDA (times)	P/NAV (times)
AnnAik	30 June 2018	4.6	6.4	7.4	0.5
Asia Enterprises	30 June 2018	2.1	27.6	4.4	0.6
HUPSteel	30 June 2018	4.7	21.3	8.7	0.6
Sin Ghee Huat	30 June 2018	n.m.	1,665.0 <sup>(1)</sup>	42.1 <sup>(1)</sup>	0.6

Maximum			27.6	8.7	0.6
Minimum			6.4	4.4	0.5
Mean			18.5	6.8	0.6
Median			21.3	7.4	0.6

The Company (as implied by the Exit Offer Price and its NAV)	30 June 2018	2.3	62.0 <sup>(2)</sup>	14.7 <sup>(2)</sup>	0.6 <sup>(2)</sup>
The Company (as implied by the Exit Offer Price and its RNAV)					0.5 <sup>(2)</sup>

Source: Bloomberg Finance L.P., annual reports and/or announcements of the respective companies.

**Notes:**

- (1) Excluded in the calculation of maximum, minimum, mean and median ratio range as statistical outlier.
- (2) Please refer to paragraphs 8.3 and 8.4 of this IFA Letter for the calculation of the Company's ratios.

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As set out in the above table:

- (i) the P/NAV ratio of the Group, as implied by the Exit Offer Consideration, is within the range and equal to the mean and median ratios of the listed steel trading comparable companies;
- (ii) the P/RNAV of the Group, as implied by the Exit Offer Consideration, is within the range but lower than the mean and median P/NAV ratios of the listed steel trading comparable companies; and
- (iii) the PER and EV/EBITDA ratio of the Group as implied by the Exit Offer Consideration are above the range of the listed steel trading comparable companies.

### (b) Property segment comparables

As set out in paragraph 5.2 of this IFA Letter, the Group's revenue from its property development and rental segments accounted for less than 10% of its total revenue in FY2018. However, the Group's gross assets (before elimination) for its property development and rental segments in aggregate accounted for approximately 62.61% of its total assets as at 30 June 2018. These assets included mainly investment properties generating rental income for the Group, properties under development which are parcels of undeveloped land in Malaysia and completed properties held for sale which included a hypermarket in Malaysia. Accordingly, we have also identified the following profitable property development and/or rental companies listed on the SGX-ST and on Bursa Malaysia as the listed property segment comparables to the Group in our evaluation of the Exit Offer Price:

Name of comparable companies	Brief business description	Market capitalisation (\$'million)
Amanah Harta Tanah PNB ("Amanah")	<p>Amanah is a property trust company with investment portfolio in properties, quoted shares, and short-term investments.</p> <p>Amanah generated rental income from its investment properties in the last 12 months ended 30 June 2018. It reported net profit of RM17.36 million for the 12 months ended 30 June 2018. As at 30 June 2018, it had investment properties amounting to RM442.56 million.</p>	55.5

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Name of comparable companies	Brief business description	Market capitalisation (S\$'million)
Farlim Group Berhad (“Farlim”)	<p>Farlim operates in property development, trading and investment.</p> <p>Farlim generated revenue mainly from sale of developed properties. It reported net profit of RM4.97 million for the 12 months ended 30 June 2018. As at 30 June 2018, its property segment’s assets comprised mainly investment properties of RM4.67 million, land held for development of RM51.05 million and property development cost of RM13.49 million.</p>	20.9
LBI Capital Berhad (“LBIC”)	<p>LBIC develops residential and commercial properties, and investment.</p> <p>LBIC generated revenue mainly from sale of developed properties. It reported net profit of RM4.93 million for the 12 months ended 30 June 2018. As at 30 June 2018, its property segment’s assets comprised mainly investment properties of RM31.30 million, development expenditure (under non-current assets) of RM23.45 million and development expenditure (under current assets) of RM35.97 million.</p>	18.9
Pollux Properties Ltd (“Pollux”)	<p>Pollux is a property developer in Singapore with an exclusive focus on the development of residential and commercial properties.</p> <p>Its revenue for the financial year ended 31 March 2018 comprised revenue from sale of development properties, income from serviced apartment and rental income from investment properties.</p> <p>Pollux reported net profit of S\$51.78 million for its financial year ended 31 March 2018. As at 31 March 2018, its assets comprised mainly investment properties of S\$331.92 million accounting for 85.69% of its total assets of S\$387.32 million. Its properties under development was nil as at 31 March 2018 as compared to S\$25.74 million as at 31 March 2017.</p>	113.1

*Source: Bloomberg Finance L.P., annual reports and/or announcements of the respective companies.*

Similarly, the list of our property segment comparable companies is not exhaustive and the identified property segment comparable companies may not be directly comparable to the Group in terms of asset base, business activities, scale of operations, risk profile, track record, future prospects and other relevant criteria. Any comparison made with respect to the property segment comparable companies merely serves as an illustration and that the

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conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Group as at the Latest Practicable Date.

The table below sets out the financial ratios of the property segment comparable companies as at the Latest Practicable Date:

	Latest available 12 months results	Net Profit (S\$'million)	PER (times)	P/NAV (times)
Amanah	30 June 2018	5.7	9.6	0.6
Farlim	30 June 2018	1.6	12.7	0.4
LBIC	30 June 2018	1.6	11.6	0.4
Pollux	31 March 2018	51.8	2.2	0.6
Maximum			12.7	0.6
Minimum			2.2	0.4
Mean			9.0	0.5
Median			10.6	0.5
The Company (as implied by the Exit Offer Price and its NAV)	30 June 2018	2.3	62.0	0.6
The Company (as implied by the Exit Offer Price and its RNAV)				0.5

*Source: Bloomberg Finance L.P., annual reports and/or announcements of the respective companies.*

As set out in the above table:

- (i) the P/NAV ratio of the Group, as implied by the Exit Offer Consideration, is within the range and higher than the mean and median ratios of the listed property segment comparable companies;
- (ii) the P/RNAV ratio of the Group, as implied by the Exit Offer Consideration, is within the range and equals to the mean and median ratios of the listed property segment comparable companies; and

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- (iii) the PER of the Group, as implied by the Exit Offer Consideration, is above the range of the listed property segment comparable companies.

### 8.8 Comparison with Recent Privatisation Transactions

For the purpose of our evaluation, we have compared the valuation parameters implied by the Exit Offer Price vis-à-vis recent cash privatisation transactions (whether by takeovers or voluntary delisting under the Code and/or the Listing Manual of the SGX-ST) which were successfully announced and completed by companies listed on the SGX-ST since 1 January 2017 up to the Latest Practicable Date (the “Recent Transactions”).

We wish to highlight that the list of companies involved in the Recent Transactions as set out in the analysis below may not be directly comparable to the Company in terms of size, market capitalisation, business activities, asset base, geographical spread, track record, accounting policy, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits. In addition, the list of Recent Transactions is by no means exhaustive and information relating to the Recent Transactions was compiled from publicly available information. Therefore, any comparison with the Recent Transactions is for illustrative purpose only and merely serves as a guide to illustrate the relative *premia* or discounts for the transactions.

We have also excluded companies which were directed to delist by the SGX-ST, or had been suspended for trading for some time before the takeover or delisting took place, or continue to have its securities listed on other stock exchanges.

The Recent Transactions are as follows:

	Announcement date <sup>(1)</sup>	Type <sup>(2)</sup>	Premium/(Discount) of offer price over/(to):				P/NAV (times)	P/RNAV <sup>(3)</sup> (times)
			Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)		
Auric Pacific Group Limited	7-Feb-17	VO	13.4	17.8	23.8	35.8	1.2	1.2
Global Premium Hotels Limited	23-Feb-17	VO	14.1	18.5	21.7	23.3	0.5	0.5
Fischer Tech Limited	5-Apr-17	SOA	31.3	46.9	63.6	76.5	1.5	1.5
Nobel Design Holdings Ltd	2-May-17	MO	8.5	9.4	15.9	18.6	0.7	0.7
Changtian Plastic & Chemical Limited	29-May-17	VO	45.3	46.6	48.2	49.5	0.4	0.4
China Flexible Packaging Holdings Limited	19-Jun-17	VO	23.2	24.3	28.2	43.5	0.6	0.6

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	Announcement date <sup>(1)</sup>	Type <sup>(2)</sup>	Premium/(Discount) of offer price over/(to):				P/NAV (times)	P/RNAV <sup>(3)</sup> (times)
			Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)		
Croesus Retail Trust	28-Jun-17	SOA	24.5	26.2	32.0	34.5	1.2	n.a. <sup>(4)</sup>
GP Batteries International Limited	10-Aug-17	VO	62.5	62.9	62.7	61.1	0.9	0.8
Tat Hong Holdings Ltd	21-Sep-17	VO	42.9	47.5	49.1	40.3	0.7	n.a. <sup>(4)</sup>
Rotary Engineering Limited	2-Oct-17	VD	21.1	21.9	25.1	19.3	1.6	1.3
Cogent Holdings Limited	3-Nov-17	VO	5.2	6.2	12.7	20.3	3.6	1.1
Lee Metal Group Ltd	11-Nov-17	VO	9.1	14.1	21.4	26.5	1.1	1.0
Vard Holdings Limited	13-Nov-17	VD	0.0	(0.9)	2.5	3.6	0.9	0.8
CWG International Ltd.	28-Dec-17	VO	27.5	29.5	29.2	30.8	0.7	0.3

Maximum			62.5	62.9	63.6	76.5	3.6	1.5
Minimum			0.0	(0.9)	2.5	3.6	0.4	0.3
Mean			23.5	26.5	31.2	34.5	1.1	0.8
Median			22.1	23.1	26.7	32.7	0.9	0.8

<b>The Company</b> (Based on the Exit Offer Price and its NAV as at 30 June 2018)	7-Sep-18	VD	(1.1)	1.3	2.2	0.5	0.6	0.5
<b>The Company</b> (Based on the Offer Price and its NAV as at 31 December 2017)	9-Feb-18	VGO	44.2	46.6	45.4	44.1	0.6	0.6

Source: Final offeree circulars or supplemental letters despatched by the respective companies for the offers.

### Notes:

- (1) Refers to the initial announcement date applied to determine the last undisturbed trading prices and VWAPs of the shares.
- (2) VO – Voluntary General Offer, VD – Voluntary Delisting, MO – Mandatory General Offer, SOA – Scheme of Arrangement.
- (3) We have re-calculated the RNAV to standardise the treatment of the potential tax liabilities arising from the revaluation surplus or deficits, as the case may be. All RNAVs applied in this column do not take into account the impact of the potential tax liabilities.
- (4) 'n.a.' means not available.



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We note that in respect of the Recent Transactions:

- (a) save for the premium of the Exit Offer Price over the one-month VWAP of the Shares (which is within the corresponding range of the Recent Transactions), the premium or discount of the Exit Offer Price over the VWAP of the Shares are below the corresponding range of the Recent Transactions. However, we wish to highlight that the Delisting Proposal and Exit Offer was announced within three months from the close of the VGO and the Exit Offer Price is the same as the Offer Price in the VGO. As set out in paragraph 8.1 of this IFA Letter, the trading prices of the Shares were supported by the Offer Price during the period of the VGO. Accordingly, the premiums represented by the Offer Price over the VWAP of Shares for periods prior to the announcement of the VGO would be a more relevant benchmark. For periods prior to the announcement of the VGO, the premiums represented by the Offer Price over the VWAP of Shares are above the corresponding mean and median premiums of the Recent Transactions;
- (b) the P/NAV ratio and the P/RNAV ratio implied by the Exit Offer Price are within the range but lower than the corresponding mean and median ratios of Recent Transactions.

### 8.9 Companies which have Undertaken a Cash Offer Before or After Voluntary Delisting

We note that there were companies which have undertaken a cash offer before or after a voluntary delisting exercise. The offer statistics of these companies are set out below:

	Announcement date <sup>(1)</sup>	Type <sup>(2)</sup>	Offer price (S\$)	Premium/(Discount) of offer price over/(to):			P/NAV (times)
				Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	
Hup Soon Global Corporation Limited	26-Jul-12	MO	0.10	0.0	(3.0)	1.0	0.5
	8-Feb-13	VD	0.10	n.a.	n.a.	n.a.	0.9
	28-Sep-15	VO	0.06	n.a.	n.a.	n.a.	0.3
Vard Holdings Limited	13-Nov-16	VO	0.24	4.4	11.6	24.4	0.7
	13-Nov-17	VD	0.25	0.0	(0.9)	2.5	0.9

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	Announcement date <sup>(1)</sup>	Type <sup>(2)</sup>	Offer price (\$)	Premium/(Discount) of offer price over/(to):			P/NAV (times)
				Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	
Asia Power Corporation Limited	13-Nov-13	VO	0.16	50.9	60.2	63.6	0.7
	24-Mar-14	VD	0.16	0.0	1.2	2.1	0.5
China Dairy Group Ltd.	30-Dec-15	VD	0.195	77.3	97.0	82.2	1.1
	31-Aug-16	VO	0.195	n.a.	n.a.	n.a.	1.2
The Company	9-Feb-18	VGO	0.925	44.2	46.6	45.4	0.6
	7-Sep-18	VD	0.925	(1.1)	1.3	2.2	0.6

**Notes:**

- (1) VO – Voluntary General Offer, VD – Voluntary Delisting, MO – Mandatory General Offer.  
 (2) 'n.a.' means not available.

We note that offers which took place shortly after the close of the previous offers, for example, the voluntary delisting of Hup Soon Global Corporation Limited in February 2013, the voluntary delisting of Asia Power Corporation Limited in March 2014 and the voluntary offer of China Dairy Group Ltd in August 2016, were all made on the same offer price as their previous offers in July 2012, November 2013 and December 2015 respectively. The Exit Offer Price for the Shares is also the same as the price offered by Mountbatten Enterprises Pte. Ltd. in the VGO.

### 8.10 Other Considerations

In determining whether the Exit Offer is fair and reasonable and not prejudicial to the Company and its Independent Shareholders, we have also considered the following:

#### (a) No alternative offer

There is no publicly available evidence of any alternative offer for the Shares or the Company from any third party. The Directors have confirmed that, as at the Latest Practicable Date, apart from the Exit Offer proposed by the Offeror, no competing offer or revision of the Exit Offer has been received.

The possibility of any alternate take-over would be remote given that the majority shareholder, which holds approximately 88.44% of the total number of issued Shares as at

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the Latest Practicable Date, has given an irrevocable undertaking that it will vote in favour of the Delisting Resolution at the EGM.

**(b) No revision to Exit Offer Price**

As set out in Section 3.3 of the Circular, the Offeror does not intend to revise the Exit Offer Price under any circumstances.

**(c) Implications of the delisting for Shareholders**

Upon the Delisting Resolution being passed at the EGM and following the close of the Exit Offer, the Company will be delisted from the Official List of the SGX-ST and become an unlisted company. Shareholders who do not accept the Exit Offer will be left holding Shares in an unlisted company and are likely to encounter difficulties in selling their Shares in the absence of a public market for the Shares. Even if Shareholders were able to sell their Shares subsequently, shares in an unlisted company are generally valued at a substantial discount and Shareholders are likely to receive a lower price for their Shares due to the lack of marketability.

Shareholders should also note that, under the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the close of the Exit Offer, make a second offer to, or acquire any Shares from, any Shareholders on terms better than those made available under the Exit Offer.

If the Company is delisted from the Official List of the SGX-ST, the Company (as a Singapore-incorporated company) will continue to be subject to the provisions of the Companies Act but will no longer be subject to the provisions of the Listing Manual of the SGX-ST.

### 9. OUR OPINION

Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Exit Offer. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter and, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into consideration when assessing the “fairness” of the Exit Offer:

- (a) save for the period before 1998 and the period after the announcement of the VGO, the closing prices of the Shares were below the Exit Offer Price;
- (b) the trading prices of the Shares were supported by the Offer Price during the period of the VGO and dropped to S\$0.79 after the close of the VGO;

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## APPENDIX I – LETTER FROM XANDAR TO THE INDEPENDENT DIRECTORS IN RELATION TO THE EXIT OFFER

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- (c) during the period of the VGO, the average daily trading volume of the Shares was over 100,000 Shares. The average daily trading volume of the Shares has dropped to less than 2,000 after the close of the VGO and up to the Joint Announcement Date;
- (d) the Shares have been trading below the P/NAV ratio implied by the Exit Offer Consideration for the periods after listing up to the date of announcement of the VGO and only improved after the date of announcement of the VGO;
- (e) the PER and EV/EBITDA ratio of the Group as implied by the Exit Offer Consideration are above the range of the listed steel trading comparable companies while the P/NAV ratio of the Group, as implied by the Exit Offer Consideration, is within the range and equals to the mean and median ratios of the listed steel trading comparable companies;
- (f) the Group will have a P/RNAV ratio of 0.5 times after adding the revaluation surpluses but the P/RNAV ratio is still within the range of its listed steel trading comparable companies;
- (g) the PER and P/NAV ratio of the Group as implied by the Exit Offer Consideration are above the mean and median ratios of the listed property segment comparable companies while the P/RNAV ratio of the Group, as implied by the Exit Offer Consideration, is within the range and equals to the mean and median ratios of the listed property segment comparable companies; and
- (h) while the premium or discount of the Exit Offer Price over the VWAP of the Shares are mainly below the corresponding range of the Recent Transactions, we wish to highlight that the Delisting Proposal and Exit Offer was announced within three months from the close of the VGO and the Exit Offer Price is the same as the Offer Price in the VGO. As set out in paragraph 8.1 of this IFA Letter, the trading prices of the Shares were supported by the Offer Price during the period of the VGO. Accordingly, the premiums represented by the Offer Price over the VWAP of Shares for periods prior to the announcement of the VGO would be a more relevant benchmark. For periods prior to the announcement of the VGO, the premiums represented by the Offer Price over the VWAP of Shares are above the corresponding mean and median premiums of the Recent Transactions.

We set out below a summary of the key factors we have taken into consideration when assessing the “reasonableness” of the Exit Offer:

- (i) the Group’s revenue from the steel trading segment increased significantly to represent more than 90% of the Group’s revenue for FY2018 and the Group reported a lower profit of only S\$2.3 million for FY2018;
- (j) investment properties accounted for the largest portion of the Group’s NAV as at 30 June 2016, 30 June 2017 and 30 June 2018, and the increase in the Group’s NAV (from S\$251.54 million as at 30 June 2016 to S\$260.62 million as at 30 June 2018) was attributed to the Group’s profitable track records in the last three financial years;

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- (k) offers which took place shortly after the close of the previous offers were all made on the same offer price as their previous offers. The Exit Offer Price for the Shares is also the same as the price offered by Mountbatten Enterprises Pte. Ltd. in the VGO;
- (l) the Shares held by the Undertaking Shareholder represent approximately 88.44% of the total number of issued Shares which exceed the 75% of the total number of issued Shares required for the approval of the Delisting Resolution. Unless the Delisting Resolution is voted against by 10% or more of the total number of issued Shares (excluding treasury shares) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM, the Delisting Resolution is assured of being passed at the EGM; and
- (m) other considerations as set out in paragraph 8.10 of this IFA Letter.

**After taking into account the above factors, we are of the opinion that, as of the date hereof, the Exit Offer is fair and reasonable and is not prejudicial to the interests of the Company and its independent Shareholders.**

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

This IFA Letter is issued pursuant to Rule 1309 of the Listing Manual as well as addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the terms of the Exit Offer, and the recommendation made by them to the Shareholders shall remain the responsibility of the Independent Directors. Neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, except for the Exit Offer and/or for the Proposed Voluntary Delisting of the Company, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

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

Yours truly  
For and on behalf of  
**XANDAR CAPITAL PTE LTD**

LOO CHIN KEONG  
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN  
HEAD OF CORPORATE FINANCE

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER

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PLEASE TAKE NOTE THAT APPROVING THE DELISTING RESOLUTION AT THE EGM DOES NOT AUTOMATICALLY MEAN THAT YOU HAVE ACCEPTED THE EXIT OFFER.

The following section on the procedures for the acceptance of the Exit Offer is reproduced from **Appendix 1** to the Exit Offer Letter, and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the Exit Offer Letter unless otherwise stated.

### **“1. THE OFFER**

#### **1.1 Depositors**

**1.1.1 Depositors whose Securities Accounts are credited with Offer Shares.** *If you have Offer Shares standing to the credit of the “Free Balance” of your Securities Account, you should receive this Exit Offer Letter together with a FAA. If you do not receive a FAA, you may obtain a copy, upon production of satisfactory evidence that you are a Shareholder, from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588. Electronic copies of the FAA may also be obtained on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).*

**Acceptance.** *If you wish to accept the Exit Offer in respect of all or any of your Offer Shares, you should:*

(i) *complete the FAA in accordance with this Exit Offer Letter and the instructions printed on the FAA. In particular, you must state in **Part A** on page 1 of the FAA the number of Offer Shares already standing to the credit of the “Free Balance” of your Securities Account in respect of which you wish to accept the Exit Offer. If you:*

(a) *do not specify such number; or*

(b) *specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account **as at 5.00 p.m. (Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the Date of Receipt is on or before the Closing Date),***

*you shall be deemed to have accepted the Exit Offer in respect of all the Offer Shares already standing to the credit of the “Free Balance” of your Securities Account **as at 5.00 p.m. (Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the Date of Receipt is on or before the Closing Date);***

(ii) *sign the FAA in accordance with **Paragraph 1.1** of this **Appendix 1** and the instructions printed on the FAA; and*

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER

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(iii) *deliver the duly completed and signed FAA in its entirety (no part may be detached or otherwise mutilated):*

(a) *by hand to **MOUNTBATTEN RESOURCES PTE. LTD.** c/o **The Central Depository (Pte) Limited** at **9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588**; or*

(b) *by post, in the enclosed pre-addressed envelope at your own risk, to **MOUNTBATTEN RESOURCES PTE. LTD.** c/o **The Central Depository (Pte) Limited** at **Robinson Road Post Office, P.O. Box 1984, Singapore 903934**,*

***in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date.** If the completed and signed FAA is delivered by post to the Offeror, please use the pre-addressed envelope which is enclosed with the FAA. The enclosed pre-addressed envelope is pre-paid for posting.*

*Proof of posting is not proof of receipt by the Offeror at the above addresses.*

*If you have sold or transferred all your Offer Shares held through CDP, you need not forward this Exit Offer Letter and the accompanying FAA to the purchaser or transferee of your Shares, as CDP will arrange for a separate Exit Offer Letter and FAA to be sent to the purchaser or transferee of your Shares. Purchasers of the Offer Shares should note that CDP will, for and on behalf of the Offeror, send a copy of this Exit Offer Letter and the FAA by ordinary post at the purchasers' own risk to their respective addresses as they appear in the records of CDP.*

*If you are a Depository Agent, you may accept the Exit Offer via Electronic Acceptance. Such Electronic Acceptance must be submitted **not later than 5.30 p.m. (Singapore time) on the Closing Date.** CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and this Exit Offer Letter as if the FAA had been duly completed, signed in its originality and delivered to CDP.*

**1.1.2 Depositors whose Securities Accounts will be credited with Offer Shares.** *If you have purchased Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the "Free Balance" of your Securities Account, this Exit Offer Letter and a FAA in respect of such Offer Shares bearing your name and Securities Account number will be sent to you by CDP. If you do not receive a FAA, you may obtain a copy, upon production of satisfactory evidence that you are a Shareholder or have purchased the Offer Shares on the SGX-ST (as the case may be) from **CDP** at **9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.***

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER

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**Acceptance.** If you wish to accept the Exit Offer in respect of all or any of your Offer Shares, you should, after the “Free Balance” of your Securities Account has been credited with such number of Offer Shares purchased:

- (i) complete and sign the FAA in accordance with Paragraph 1.1 of this **Appendix 1** and the instructions printed on the FAA; and
- (ii) deliver the completed and signed FAA in its entirety (no part may be detached or otherwise mutilated):
  - (a) by hand to **MOUNTBATTEN RESOURCES PTE. LTD.** c/o **The Central Depository (Pte) Limited** at **9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588**; or
  - (b) by post, in the enclosed pre-addressed envelope at your own risk, to **MOUNTBATTEN RESOURCES PTE. LTD.** c/o **The Central Depository (Pte) Limited** at **Robinson Road Post Office, P.O. Box 1984, Singapore 903934**,

**in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date.** If the completed and signed FAA is delivered by post to the Offeror, please use the pre-addressed envelope which is enclosed with the FAA. The enclosed pre-addressed envelope is pre-paid for posting.

*Proof of posting is not proof of receipt by the Offeror at the above addresses.*

**1.1.3 Depositors whose Securities Accounts are and will be credited with Offer Shares.** If you have Offer Shares credited to the “Free Balance” of your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Exit Offer in respect of the Offer Shares standing to the credit of the “Free Balance” of your Securities Account and may accept the Exit Offer in respect of the additional Offer Shares purchased which are in the process of being credited to the “Free Balance” of your Securities Account only **AFTER** the “Free Balance” of your Securities Account has been credited with such additional number of Offer Shares purchased.

**1.1.4 Rejection.** If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Offer Shares have not been or will not be credited to the “Free Balance” of your Securities Account (for example, where you sell or have sold such Offer Shares), your acceptance is liable to be rejected. None of CDP, PPCF and the Offeror (or, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability in relation to such rejections, including the consequences thereof.

If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such Offer Shares is liable to be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by **5.00 p.m. (Singapore time) on the Date of Receipt** or **5.30 p.m. (Singapore time) on the Closing Date if the Date of Receipt is on the Closing Date.** None of CDP, PPCF and the Offeror (or, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.



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## APPENDIX II – PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER

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- 1.1.5 General.** *No acknowledgement will be given by CDP for submissions of the FAA. All communications, notices, documents and remittances to be delivered or sent to you will be sent by ordinary post at your own risk to your address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares credited to your Securities Account. You can verify such number through CDP Online if you have registered for the CDP Internet Access Service, or through CDP Phone Service if you have a T-PIN.*
- 1.1.6 Suspense Account.** *Upon receipt by CDP, for and on behalf of the Offeror, of the duly completed and signed original of the FAA, CDP will take such measures as it may consider necessary or expedient to prevent any trading of the Offer Shares in respect of which you have accepted the Exit Offer during the period commencing on the Date of Receipt and ending on the date of settlement of the consideration for such Offer Shares (including, without limitation, earmarking, blocking and/or transferring the relevant number of such Offer Shares from the “Free Balance” of your Securities Account to a “Suspense Account”), in the event of the Exit Offer becoming or being declared to be unconditional in all respects in accordance with its terms. Such Offer Shares will be held in the “Suspense Account” until the consideration for such Offer Shares has been despatched to you.*
- 1.1.7 Notification.** *In the event that the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, upon the Offeror’s despatch of consideration for the Offer Shares in respect of which you have accepted the Exit Offer, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the aggregate Exit Offer Price in respect of such Offer Shares by way of a S\$ crossed cheque drawn on a bank in Singapore for the appropriate amount, or in such other manner as you may have agreed with CDP for the payment of any cash distributions, in each case at your own risk.*
- 1.1.8 Return of Offer Shares.** *In the event that the Exit Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, CDP will transfer the aggregate number of Offer Shares in respect of which you have accepted the Exit Offer and tendered for acceptance under the Exit Offer to the “Free Balance” of your Securities Account as soon as possible but, in any event, not later than 14 days from the lapse or withdrawal of the Exit Offer.*
- 1.1.9 No Securities Account.** *If you do not have any existing Securities Account in your own name at the time of acceptance of the Exit Offer, your acceptance as contained in the FAA will be rejected.*
- 1.1.10 Acceptances received on Saturday, Sunday or public holiday.** *For the avoidance of doubt, FAAs received by the Offeror, the Financial Adviser and/or CDP on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.*

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER

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### 1.2 Holders of Offer Shares in Scrip Form

**1.2.1 Shareholders whose Offer Shares are not deposited with CDP.** If you hold Offer Shares in scrip form, you should receive this Exit Offer Letter together with a FAT. If you do not receive a FAT, you may obtain a copy, upon production of satisfactory evidence that you are a Shareholder, from the Receiving Agent, at its office located at **8 Robinson Road, #03-00 ASO Building, Singapore 048544.**

**1.2.2 Acceptance.** If you wish to accept the Exit Offer in respect of all or any of your Offer Shares, you should:

(i) complete the FAT in accordance with this Exit Offer Letter and the instructions printed on the FAT. In particular, you must state in **Part A** of the FAT the number of Offer Shares in respect of which you wish to accept the Exit Offer and state in **Part B** of the FAT the share certificate number(s) of the relevant share certificate(s). If you:

(a) do not specify such number in **Part A** of the FAT; or

(b) specify a number in **Part A** of the FAT which exceeds the number of Offer Shares represented by the attached share certificate(s) accompanying the FAT,

you shall be deemed to have accepted the Exit Offer in respect of the total number of Offer Shares represented by the share certificate(s) accompanying the FAT;

(ii) sign the FAT in accordance with Paragraph 1.2 of this **Appendix 1** and the instructions printed on the FAT;

(iii) not date the FAT or insert the name of the Offeror. This will be done on your behalf by the Offeror, or any person nominated in writing by the Offeror or a person authorised by either; and

(iv) deliver:

(a) the completed and signed FAT in its entirety (no part may be detached or otherwise mutilated);

(b) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror and/or the Receiving Agent relating to the Offer Shares in respect of which you wish to accept the Exit Offer. If you are recorded in the Register as holding Offer Shares but you do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the constitution of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Exit Offer Letter and the FAT;

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER

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(c) *where such Offer Shares are not registered in your name, a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of the transferee left blank (to be completed by the Offeror, or any person nominated in writing by the Offeror or a person authorised by either); and*

(d) *any other relevant document(s),*

*either:*

(1) *by hand to **MOUNTBATTEN RESOURCES PTE. LTD. c/o B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544;** or*

(2) *by post, in the enclosed pre-addressed envelope at your own risk, to **MOUNTBATTEN RESOURCES PTE. LTD. c/o B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544,***

***in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date.** If the completed and signed FAT is delivered by post to the Offeror, please use the pre-addressed envelope which is enclosed with the FAT. The enclosed pre-addressed envelope is pre-paid for posting.*

*Proof of posting is not proof of receipt by the Offeror at the above addresses.*

**1.2.3 Receipt.** *No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) and/or any other document(s) required will be given by the Offeror, the Financial Adviser or the Receiving Agent.*

**1.2.4 Return of Offer Shares.** *In the event that the Exit Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, the FAT, share certificate(s) and/or any other accompanying document(s) will be returned to you by ordinary post to the address as may be specified by you in the FAT, or if none is set out, to you (or in the case of joint Accepting Shareholders, to the joint Accepting Shareholder first-named in the Register) at the relevant address maintained in the Register, by ordinary post at your own risk as soon as possible but, in any event, not later than 14 days from the lapse or withdrawal of the Exit Offer.*

**1.2.5 Acceptances received on Saturday, Sunday or public holiday.** *For the avoidance of doubt, FATs received by the Offeror, the Financial Adviser and/or the Receiving Agent on a Saturday, Sunday or public holiday will only be processed and validated on the next Business Day.*

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER

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### 2. SETTLEMENT FOR THE OFFER

**2.1 When Settlement of the Exit Offer Consideration is Due.** Subject to the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms and to the receipt by the Offeror from Accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete and valid in all respects and in accordance with such requirements as may be stated in this Exit Offer Letter and the relevant FAA or FAT (as the case may be) including, without limitation, (in the case of an Accepting Shareholder holding Offer Shares in scrip form) the receipt by the Offeror of share certificate(s) relating to the Offer Shares tendered by such Accepting Shareholder in acceptance of the Exit Offer and (in the case of a Depositor) the receipt by the Offeror of a confirmation satisfactory to it that the relevant number of Offer Shares tendered by the accepting Depositor in acceptance of the Exit Offer are standing to the credit of the “Free Balance” of the Depositor’s Securities Account at the relevant time, then pursuant to Rule 30 of the Code, remittances in the form of S\$ crossed cheques drawn on a bank in Singapore for the aggregate Exit Offer Price in respect of the Offer Shares validly tendered in acceptance of the Exit Offer will be despatched to the Accepting Shareholders (or, in the case of Accepting Shareholders holding Offer Shares tendered in acceptance in scrip form, their designated agents, as they may direct) by ordinary post, at the risk of the Accepting Shareholders or in such other manner as they may have agreed with CDP for payment of any cash distribution and as soon as practicable and in any event:

**2.1.1** in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **on or before** the date on which the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within seven Business Days of that date; or

**2.1.2** in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **after** the date on which the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but on or before the Closing Date, within seven Business Days of the date of such receipt.

### 3. GENERAL

**3.1 Disclaimer.** Each of the Offeror, the Financial Adviser, CDP and/or the Receiving Agent will be authorised and entitled, in its sole and absolute discretion, to reject or treat as valid any acceptance of the Exit Offer through the FAA and/or FAT, as the case may be, which is not entirely in order or which does not comply with the terms of this Exit Offer Letter and the relevant Acceptance Forms, as the case may be, or which is not accompanied by the relevant share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror, the Financial Adviser and/or the Receiving Agent or which is otherwise incomplete, incorrect, signed but not in its originality, or invalid in any respect. If you wish to accept the Exit Offer, it is your responsibility to ensure that the relevant Acceptance Forms are properly completed and executed in all respects and submitted with original signature(s) and that all required documents (where applicable) are provided. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror’s related corporations), the Financial Adviser, CDP and/or the Receiving Agent accepts any responsibility or liability for such a decision, including the consequences of such a decision.

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER

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- 3.2 Discretion.** *The Offeror and the Financial Adviser each reserves the right to treat acceptances of the Exit Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Exit Offer Letter or in the FAA and/or FAT, as the case may be, or if made otherwise than in accordance with the provisions of this Exit Offer Letter and in the FAA and/or FAT, as the case may be. Any decision to reject or treat such acceptances as valid will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), the Financial Adviser, CDP and/or the Receiving Agent accepts any responsibility or liability for such a decision, including the consequences of such a decision.*
- 3.3 Scripless and Scrip Offer Shares.** *If you hold some Offer Shares with CDP and others in scrip form, you should complete the FAA for the former and the FAT for the latter in accordance with the respective procedures set out in this **Appendix 1** and the respective Acceptance Forms if you wish to accept the Exit Offer in respect of such Offer Shares.*
- 3.4 Deposit Time.** *If you hold Offer Shares in scrip form, the Offer Shares may not be credited to your Securities Account with CDP in time for you to accept the Exit Offer if you were to deposit your share certificate(s) with CDP after the Despatch Date. If you wish to accept the Exit Offer in respect of such Offer Shares, you should complete the FAT and follow the procedures set out in **Paragraph 1.2** of this **Appendix 1** (Holders of Offer Shares in Scrip Form).*
- 3.5 Correspondences.** *All communications, certificates, notices, documents, payments and remittances to be delivered or sent to you (or, in the case of scrip holders, your designated agent or, in the case of joint Accepting Shareholders who have not designated any agent, to the one first named in the Register) will be sent by ordinary post to your respective addresses as they appear in the records of CDP or the Receiving Agent, as the case may be, at the risk of the person entitled thereto (or, for the purposes of remittances only, to such different name and address as may be specified by you in the FAA or FAT, as the case may be, at your own risk).*
- 3.6 Evidence of Title.** *Delivery of the duly completed and signed original FAA and/or FAT, as the case may be, together with the relevant share certificate(s) and/or other document(s) of title and/or other relevant document(s) required by the Offeror, to the Offeror (or its nominee) and/or CDP and/or the Receiving Agent, shall be conclusive evidence in favour of the Offeror (or its nominee), CDP and the Receiving Agent of the right and title of the person(s) signing it to deal with the same and with the Offer Shares to which it relates.*
- 3.7 Loss in Transmission.** *The Offeror, the Financial Adviser, CDP and/or the Receiving Agent, as the case may be, shall not be liable for any loss in transmission of the FAA and/or FAT.*
- 3.8 Acceptances Irrevocable.** *Except as expressly provided in this Exit Offer Letter and the Code, the acceptance of the Exit Offer made by you using the FAA and/or the FAT, as the case may be, shall be irrevocable and any instructions or subsequent FAA(s) and/or FAT(s) received by CDP and/or the Receiving Agent, as the case may be, after the FAA and/or FAT, as the case may be, has been received shall be disregarded.*

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## APPENDIX II – PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER

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**3.9 Personal Data Privacy.** *By completing and delivering a FAA and/or FAT, each person (i) consents to the collection, use and disclosure of his personal data by the Receiving Agent, Securities Clearing and Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST, the Offeror, the Financial Adviser and the Company (collectively, the “Specified Persons”) for the purpose of facilitating his acceptance of the Exit Offer, and in order for the Specified Persons to comply with any applicable laws, listing rules, regulations and/or guidelines; (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law; and (iii) agrees that he will indemnify the Specified Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.”*



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## APPENDIX III – ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP

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### 1. DIRECTORS

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

<u>Name</u>	<u>Address</u>	<u>Designation</u>
Mr Cheng Theng Kee	c/o 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957	Chairman and Executive Director
Mr Cheng Yong Liang	c/o 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957	Managing Director
Dato' Mazlan Bin Dato' Seri Harun	c/o 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957	Non-Executive and Independent Director
Mr Chay Yee	c/o 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957	Non-Executive and Independent Director
Mr Ong Teong Wan	c/o 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957	Non-Executive and Lead Independent Director

### 2. REGISTERED OFFICE

The registered office of the Company is at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957.

### 3. PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 21 May 1964 and has been listed on the Main Board of the SGX-ST since 17 April 1997. It is the parent company of the Group. The Group is engaged in steel trading businesses, property development, property rental and retail operations in Singapore, Malaysia and China.

### 4. SHARE CAPITAL OF THE COMPANY

#### 4.1 Issued Share Capital

The issued and paid-up share capital of the Company as at the Latest Practicable Date is S\$150,112,500 comprising 156,453,000 Shares with no treasury shares.

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## APPENDIX III – ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP

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### 4.2 Rights in respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. An extract of the relevant provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting is reproduced in **Appendix V** to this Circular.

A copy of the Constitution is available for inspection at the registered address of the Company at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957.

### 4.3 New Issues

As at the Latest Practicable Date, the Company has not issued any new Shares since the end of FY2018, being the last financial year of the Company.

### 4.4 Options and Convertible Instruments

As at the Latest Practicable Date, the Company does not have in place any employee or performance share incentive schemes.

As at the Latest Practicable Date, the Company has not issued any instruments convertible into, rights to subscribe for, or options in respect of, Shares or securities which carry voting rights affecting Shares that are outstanding.

## 5. FINANCIAL INFORMATION

### 5.1 Consolidated Profit and Loss Statements

Certain financial information extracted from the audited consolidated profit and loss statements of the Group for the last three (3) financial years (FY2018, FY2017 and FY2016) are summarised below. The summary set out below should be read together with the annual reports, the audited consolidated profit and loss statements of the Group for the relevant financial periods and their respective accompanying notes.

	<b>FY2018</b>	<b>FY2017</b>	<b>FY2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Turnover	129,208	134,106	129,601
Net profit before tax	6,531	13,047	7,609
Net profit after tax	4,631	10,825	5,206
Exceptional items	–	–	–
Non-controlling interest	2,297	2,355	(1,723)
Net profit	2,334	8,470	6,929
Earnings per Share (cents)	1.49	5.41	4.43
Dividends per Share (cents)	0.00	1.00	1.00



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## APPENDIX III – ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP

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### 5.2 Consolidated Statements of Financial Position

The audited consolidated statements of the financial position of the Group as at 30 June 2017 and 30 June 2018 are summarised below. The summary set out below should be read together with the annual report of the Group for FY2017 and FY2018 and their respective accompanying notes.

	<b>FY2018</b>	<b>FY2017</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Investment properties	118,000	118,000
Property, plant & equipment	25,856	27,300
Joint venture company	36,631	22,237
Associated company	6,861	7,162
Properties under development	15,699	14,128
Completed properties	13,878	13,279
Inventories	45,046	50,225
Trade debtors	26,926	19,482
Fixed deposits	41,319	48,854
Other assets	6,692	8,478
Trade creditors	(28,238)	(29,540)
Other liabilities	(10,269)	(10,001)
<b>Net assets</b>	<b>298,401</b>	<b>289,604</b>
Share capital	150,113	150,113
Reserves	(22,583)	(27,899)
Accumulated profits	133,086	132,317
Shareholders' funds	260,616	254,531
Non-controlling interests	37,785	35,073
<b>Total equity</b>	<b>298,401</b>	<b>289,604</b>

### 5.3 Consolidated NTA per Share

The consolidated NTA per Share of the Group based on the latest published accounts prior to the date of the Circular (being the audited consolidated financial statements of the Group for FY2018) is S\$1.67. As at the Latest Practicable Date, the Directors are not aware of any material changes which may affect the above stated consolidated NTA per Share of the Group.

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## **APPENDIX III – ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP**

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### 5.4 Accounting Policies

A summary of the significant accounting policies of the Group is set out in note 2 to the audited consolidated financial statements of the Group for FY2018. Copies of the above are available for inspection at the registered address of the Company at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957 during normal business hours for the period during which the Exit Offer remains open for acceptance.

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the audited consolidated financial statements of the Group for FY2018), there are no significant accounting policies or any matters from the notes of the financial statements of the Group which are of major relevance for the interpretation of the financial statements of the Group.

### 5.5 Changes in Accounting Policies

Save as disclosed in publicly available information on the Group, as at the Latest Practicable Date, there is no change in the accounting policies of the Company which will cause the financial statements of the Company not to be comparable to a material extent.

### 5.6 Material Changes in Financial Position

Save as disclosed in this Circular and in publicly available information on the Group (including but not limited to that contained in the audited consolidated financial statements of the Group for FY2018), as at the Latest Practicable Date, there has been no known material change in the financial position of the Group since 30 June 2018, being the date of the Company's last published audited consolidated financial statements.

## **6. DISCLOSURE OF INTERESTS**

### 6.1 Shareholdings

#### (a) Interests of the Company in Offeror Securities

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

#### (b) Dealings in Offeror Securities by the Company

The Company has not dealt for value in any Offeror Securities during the Reference Period.

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## APPENDIX III – ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP

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(c) Interests of the Directors in Offeror Securities

Save as disclosed below, none of the Directors has any direct or deemed interest in any Offeror Securities as at the Latest Practicable Date.

Name	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	%
CYL	1	25	–	–

**Note:**

(1) Based on the results of the instant information search of the Offeror dated the Latest Practicable Date conducted with the Accounting and Corporate Regulatory Authority of Singapore, the issued and paid-up share capital of the Offeror comprises four (4) Offeror Shares.

(d) Dealings in Offeror Securities by the Directors

Save for CYL, who was allotted one (1) Offeror Share on the incorporation of the Offeror on 3 July 2018, none of the Directors has dealt for value in any Offeror Securities during the Reference Period.

(e) Interests of the Directors in Company Securities

None of the Directors has any direct or deemed interest in any Company Securities as at the Latest Practicable Date.

(f) Dealings in Company Securities by the Directors

None of the Directors has dealt for value in any Company Securities during the Reference Period.

(g) Company Securities owned or controlled by Xandar

Xandar and the funds whose investments it manages on a discretionary basis do not own or control any Company Securities as at the Latest Practicable Date.

(h) Dealings by Xandar in Company Securities

Xandar and the funds whose investments it manages on a discretionary basis have not dealt for value in any Company Securities during the Reference Period.

(i) Intentions of the Directors in respect of their Shares

None of the Directors has any direct interest in the Shares.

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## APPENDIX III – ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP

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### 6.2 Other Disclosures

#### (a) Directors' Service Contracts

As at the Latest Practicable Date:

- (i) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (ii) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

#### (b) Arrangements Affecting Directors

As at the Latest Practicable Date:

- (i) it is not proposed that any payment or other benefit be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Exit Offer; and
- (ii) save for the agreement among the Offeror Director-Shareholders to undertake the Exit Offer through 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 Exit Offer.

### 6.3 Material Contracts

Save as disclosed in this Circular and in publicly available information on the Group, none of the Directors has a material personal interest in any material contract entered into by the Offeror as at the Latest Practicable Date.

## 7. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save as disclosed in publicly available information on the Group, neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period commencing three (3) years prior to the Joint Announcement Date and ending on the Latest Practicable Date.

## 8. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in publicly available information on the Group, the Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Group, taken as a whole.

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## APPENDIX III – ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP

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### 9. MATERIAL CHANGE IN INFORMATION

Save as disclosed in this Circular and in publicly available information on the Company, the Group, the Exit Offer and the Delisting, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Joint Announcement Date and ending on the Latest Practicable Date.

### 10. VALUATION OF THE SUBJECT PROPERTIES

The Company has commissioned independent valuations of the Subject Properties. The Subject Properties were selected as they account for more than 5 per cent. of the Group's net asset value as at 30 June 2018. Extracts of the Valuation Reports are set out in **Appendix IV** to this Circular and the Valuation Reports (which include the basis of the valuations) are available for inspection at the registered address of the Company at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of valuation. Based on the Valuation Reports, the potential tax liabilities that may be incurred by the Company on the hypothetical disposal of the Subject Properties on an "as is" basis is approximately S\$4.53 million.

As at the Latest Practicable Date, save for the possible disposal of its interests in the Excluded Subject Properties in the ordinary course of the Company's business, the Company has no current plans to dispose of its interests in the Subject Properties.

In the event that the Company manages to dispose of its entire interests in the Excluded Subject Properties at the valuation amounts set out in the Valuation Reports, the Company will incur tax liabilities of approximately S\$4.53 million. The aforesaid tax liabilities are not likely to crystallise if the Company does not dispose of its interests in the Excluded Subject Properties.

## APPENDIX IV – EXTRACTS OF VALUATION REPORTS



### Valuation certificate

**Property** : 10, 12, 14 & 16 Arumugam Road "LTC Buildings A, B, C & D" Singapore 409957/58/59/61

**Client** : Teck Chiang Realty Private Limited.

**Purpose** : Voluntary Delisting

**Legal description** : Lot Nos. : 99805T, 99807K, 99808N, 99809X, 99810K, 99820V, 3167T, 3169K, 3171A, 3173N, 3176C & 3177M  
Mukim : 23

**Tenure** : Estate in Fee Simple (Grant Nos. 61 and 66)

**Basis of valuation** : Market Value on an "As Is" basis, subject to existing tenancies and occupational arrangements.

**Registered owner** : Teck Chiang Realty Private Limited

**Master plan 2014** : "Business 1" with a gross plot ratio of 2.5

**Brief description** : The Property is located on the southern side of Arumugam Road, off Paya Lebar Road, and approximately 7.0 km from the City Centre. It is located next to the MacPherson MRT station. The Property comprises four flatted factory buildings namely LTC Building A (10-storey), LTC Building B (6-storey), LTC Building C (8-storey) and LTC Building D (7-storey). Open car park and lorry lots are provided within the compound. The Temporary Occupation Permits for LTC Buildings A, B, C & D were issued on 26 November 1992, 19 October 1978, 16 March 1983 and 26 January 1977 respectively.

**Land area** : 12,234.8 sm

**Gross floor area** : 33,228.7 sm approximately

**Net lettable area** : 25,062.4 sm approximately

**Tenancy profile** : The Property is currently multi-tenanted. The leases for the tenants are generally for a period of 1 to 2 years.

**Valuation approaches** : Capitalisation Approach and Comparable Sales Method.

**Valuation date** : 12 September 2018

**Market Value** : **S\$118,000,000**  
**(Singapore Dollars One Hundred And Eighteen Million Only)**  
This valuation is exclusive of GST.

**Assumptions, disclaimers, limitations & qualifications** : *This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*

**Prepared by** : Knight Frank Pte Ltd

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Head, Valuation & Advisory  
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For and on behalf of Knight Frank Pte Ltd

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KF Ref: 1785V/429/18/YPL/ps  
Date of issue: 21 September 2018

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## APPENDIX IV – EXTRACTS OF VALUATION REPORTS



### Valuation certificate

<b>Property</b>	: 20 Woodlands Loop Singapore 738321
<b>Client</b>	: Angkasa Amsteel Pte. Ltd.
<b>Purpose</b>	: Voluntary Delisting
<b>Legal description</b>	: Lot No. : 4720W Mukim : 13
<b>Tenure</b>	: Leasehold 30 + 30 years with effect from 1 October 1994 For the purpose of this valuation, we have valued the Property assuming the further term of 30 years has been or will be granted (i.e. based on a balance lease term of about 36.0 years as at 12 September 2018)
<b>Basis of valuation</b>	: Market Value on an "As Is" basis
<b>Registered lessor/lessee</b>	: Currently leased by JTC Corporation to Angkasa Hong Leong Pte Ltd
<b>Master plan 2014</b>	: "Business 2" with a gross plot ratio of 2.5
<b>Brief description</b>	: The Property is bounded by Woodlands Loop and Woodlands Avenue 7, off Gambas Avenue/Woodlands Avenue 9 and some 25.0 km from the City Centre. It is a purpose-built single-storey detached factory with two mezzanine levels. The Property is currently amalgamated with 22 Woodlands Loop and used as a single premises. We understand that the Temporary Occupation Permit was issued on 8 November 1996.
<b>Land area</b>	: 11,198.80 sm
<b>Gross floor area</b>	: 7,158.54 sm approximately
<b>Occupancy</b>	: The Property is currently occupied by the registered lessee.
<b>Valuation approach</b>	: Comparable Sales Method
<b>Valuation date</b>	: 12 September 2018
<b>Market Value</b>	: <b>S\$13,500,000/-</b> <b>(Singapore Dollars Thirteen Million And Five Hundred Thousand Only)</b> This valuation is exclusive of GST.
<b>Assumptions, disclaimers, limitations &amp; qualifications</b>	: <i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.</i>
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Head, Valuation & Advisory  
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## APPENDIX IV – EXTRACTS OF VALUATION REPORTS



### Valuation certificate

<b>Property</b>	: 22 Woodlands Loop Singapore 738914
<b>Client</b>	: Angkasa Amsteel Pte. Ltd.
<b>Purpose</b>	: Voluntary Delisting
<b>Legal description</b>	: Lot No. : 4723T Mukim : 13
<b>Tenure</b>	: Leasehold 30 years with effect from 1 September 2002 (Balance lease term of about 14.0 years as at 12 September 2018)
<b>Basis of valuation</b>	: Market Value on an "As Is" basis
<b>Registered lessor/lessee</b>	: Currently leased by JTC Corporation to Angkasa Hong Leong Pte Ltd
<b>Master plan 2014</b>	: "Business 2" with a gross plot ratio of 2.5
<b>Brief description</b>	: The Property is bounded by Woodlands Loop and Woodlands Avenue 7, off Gambas Avenue/Woodlands Avenue 9 and some 25.0 km from the City Centre. It is a purpose-built single-storey detached factory with two mezzanine levels. The Property is currently amalgamated with 20 Woodlands Loop and used as a single premises. We understand that the Certificate of Statutory Completion was issued on 3 April 2004.
<b>Land area</b>	: 9,006.1 sm
<b>Gross floor area</b>	: 3,511.1 sm approximately
<b>Occupancy</b>	: The Property is currently occupied by the registered lessee.
<b>Valuation approach</b>	: Comparable Sales Method
<b>Valuation date</b>	: 12 September 2018
<b>Market Value</b>	: <b>SS\$4,400,000/-</b> <b>(Singapore Dollars Four Million And Four Hundred Thousand Only)</b> This valuation is exclusive of GST.
<b>Assumptions, disclaimers, limitations &amp; qualifications</b>	: <i>This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.</i>
<b>Prepared by</b>	: Knight Frank Pte Ltd

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## APPENDIX IV – EXTRACTS OF VALUATION REPORTS



### Valuation certificate

**Property** : 37 Senoko Drive Singapore 758222

**Client** : Angkasa Amsteel Pte. Ltd.

**Purpose** : Voluntary Delisting

**Legal description** : Lot No. : 4898M  
Mukim : 13

**Tenure** : Leasehold 17 + 1 years with effect from 1 September 2002  
For the purpose of this valuation, we have valued the Property assuming the 1-year lease extension has been or will be granted (i.e. based on a balance lease term of about 2.0 years as at 12 September 2018)

**Basis of valuation** : Market Value on an "As Is" basis

**Registered lessor/lessee** : Currently leased by JTC Corporation to Angkasa Amsteel Pte. Ltd.

**Master plan 2014** : "Business 2" with a gross plot ratio of 2.5

**Brief description** : The Property is located on the northern side of Senoko Drive, off Admiralty Road West, and approximately 25.0 km from the City Centre. It is a single-storey detached factory with a 2-storey office ancillary building linked by a sheltered walkway. The Property was completed in the early 2000s.

**Land area** : 7,021.3 sm

**Gross floor area** : 4,366.1 sm approximately

**Occupancy** : The Property is currently occupied by the registered lessee.

**Valuation approach** : Comparable Sales Method

**Valuation date** : 12 September 2018

**Market Value** : **S\$1,000,000**  
**(Singapore Dollars One Million Only)**  
This valuation is exclusive of GST.

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## APPENDIX IV – EXTRACTS OF VALUATION REPORTS

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**Che Kiang Realty Sdn Bhd**  
Level 5-2, Tower 7 Avenue 3  
The Horizon, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur

20<sup>th</sup> September 2018

Our Reference No.: V/JB/18/037/cyh

**Attention: Mr Lee Khian Lai**

Dear Sir / Madam,

**UPDATE VALUATION CERTIFICATE OF LOT 100612, JALAN IMPIAN UTAMA, TAMAN IMPIAN SKUDAI, 81300 SKUDAI,  
JOHOR DARUL TAKZIM  
(HEREINAFTER REFERRED TO AS THE "SUBJECT PROPERTY")**

---

We refer to your instruction for our firm to provide an Update Valuation of the Subject Property which was previously valued by us under Reference No. V/JB/18/037/cyh dated 2<sup>nd</sup> March 2018.

This Update Valuation is prepared for the purpose of **Proposed Voluntary Delisting of LTC Corporation Limited**.

We have conducted an external inspection of the Subject Property on 20<sup>th</sup> September 2018 and observed that there is no material change in the Subject Property as per our previous full valuation report. We have not carried out a professional building survey or any testing of services, nor have we inspected those parts of the subject property which are inaccessible. We are unable to confirm whether the subject property is free from urgent or significant defects or items of disrepair, and our valuation is subject to this limitation.

For the purpose of this Certificate, we have summarised the relevant facts and information included in our previous valuation report and outlined the key factors which have been considered in arriving at our opinion of the Market Value. This Certificate does not contain all the necessary data and information included in our previous Valuation Report.

Knight Frank Malaysia Sdn Bhd (Co. No.585479-A) (VE (1) 0141)

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## APPENDIX IV – EXTRACTS OF VALUATION REPORTS



### IDENTIFICATION OF PROPERTY

<b>Legal Description</b>	Title No. GRN 210140, Lot No. 100612, Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim.
<b>Address</b>	Lot 100612, Jalan Impian Utama, Taman Impian Skudai, 81300 Skudai, Johor Darul Takzim.
<b>Type of Property</b>	A parcel of commercial land erected with a single-storey detached building, previously occupied by the Giant Hypermarket.
<b>Title Particulars</b>	The following table outlines the title particulars of the Subject Property.

#### Summary of Title Particulars

Lot No:	Lot No. 100612, Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim.
Title No:	GRN 210140.
Tenure:	Interest in perpetuity.
Land Area:	31,930.00 square metres (about 343,692 square feet).
Registered Proprietor:	Che Kiang Realty Sdn Bhd.
Category of Land Use:	Building.
Express Conditions:	<p>i) "Tanah ini hendaklah digunakan sebagai bangunan tujuan komersial (hypermarket) mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan".</p> <p>ii) "Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan/dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan".</p> <p>iii) "Segala dasar dan syarat yang telah ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi".</p>
Restriction-In-Interest:	<p>i) "Tuanpunya tanah tidak dibenarkan menawar atau menjualkan unit-unit (parcel) bangunan yang akan dibina di atas tanah ini melainkan bangunan telah mula dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Negeri".</p> <p>ii) "Petak-petak bangunan yang didirikan di atas tanah ini apabila sahaja bertukar miliknya kepada seorang Bumiputera/Syarikat Bumiputera maka tidak boleh terkemudian daripada itu dijual, dipajak atau dipindahmilik daripada apa cara sekalipun kepada orang bukan Bumiputera/Syarikat Bkan Bumiputera tanpa persetujuan Pihak Berkuasa Negeri".</p>

## APPENDIX IV – EXTRACTS OF VALUATION REPORTS



Restriction-In-Interest (Cont'd):	iii) "Petak-petak bangunan yang didirikan di atas tanah ini tidak boleh dijual atau dipindahmilik dengan apa cara sekalipun kepada bukan warganegara/syarikat asing tanpa persetujuan Pihak Berkuasa Negeri".
Encumbrance:	Nil.
Endorsement:	Nil.

### PROPERTY DESCRIPTION

<b>Location</b>	<p>The subject property is located along Jalan Impian Utama, the internal service roads within Taman Impian Skudai in Skudai, Johor Darul Takzim. Geographically, it is located about 17 kilometres by road due north-west of Johor Bahru city centre.</p> <p>The subject property is accessible from Johor Bahru city centre via Jalan Tun Abdul Razak, Jalan Skudai and thereon continue onto Jalan Impian Utama leading to the subject property.</p>
<b>Gross Floor Area</b>	29,551.00 sq. metres (about 318,084 sq. feet).
<b>Occupancy Status</b>	The subject property is currently vacant / unoccupied.

### MARKET VALUE

<b>Basic of Valuation</b>	<p>The basis of valuation adopted is the <b>Market Value</b> which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".</p>
<b>Valuation Methodology</b>	<p>In arriving at our opinion of the <b>Market Value</b>, we have adopted the <b>Cost Approach</b>.</p> <p>This approach considers the possibility that, as a substitute for the purchase of a given property, one could construct another property that is either a replica of the original or one that could furnish equal utility. In a real estate context, one would normally not be justified in paying more for a given property than the cost of acquiring equivalent land and constructing an alternative structure, unless undue time, inconvenience, and risk are involved. In practice, the approach also involves an estimate of depreciation for older and/or less functional properties where an estimate of cost new unreasonably exceeds the likely price that would be paid for the appraised property.</p> <p>The land component is arrived at by the <b>Comparison Approach</b>. This approach generally compares recent transactions of similar type of land in the locality or similar locations and making the relevant adjustments affecting value to arrive at the land value of the property. Listings and offers may also be considered.</p>

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
## APPENDIX IV – EXTRACTS OF VALUATION REPORTS

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**Date of Valuation** We were specifically instructed by the Client to assess the **Market Value** of the Subject Property as of **13<sup>th</sup> September 2018**.

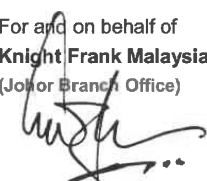
Having regard to the foregoing, our opinion of the **Market Value** of the interest in perpetuity in the subject property, with the benefit of vacant possession and subject to the title being free from all encumbrances, good, marketable and registrable, as at **13<sup>th</sup> September 2018** is **RM43,000,000/- (Ringgit Malaysia : Forty Three Million Only)**.

  
This Update Valuation Certificate is prepared in accordance with our Standard Terms of Business for Valuations (“Standard Terms of Business”) and General Principles Adopted and Limiting Conditions (“Limiting Conditions”) as enclosed at the end of this Certificate.

For all intents and purposes, this Update Valuation Certificate should be read in conjunction with our formal valuation report bearing Reference No. V/JB/18/037/cyh.

Thank you.

For and on behalf of  
**Knight Frank Malaysia Sdn Bhd**  
(Johor Branch Office)

  
**Ricky Lee Kong-Wah**  
Registered Valuer, V-0319  
**BLE, M.Sc, MRICS, MRISM**  
RL/cyh



## APPENDIX IV – EXTRACTS OF VALUATION REPORTS



Chartered Surveyors, Registered Valuers & Estate Agents, Project & Property Managers, Development Consultants

8th Floor, Campbell Complex,  
98 Jalan Dang Wangi,  
50100 Kuala Lumpur, Malaysia.  
Tel : (603) 2692 3236 Fax : (603) 2692 6457  
E-mail: admin@ppc.com.my Website: www.ppc.com.my

Our Ref : PPC/18/V0885

5 October 2018

**CHE KIANG REALTY SDN BHD**  
Level 5 – 2, Tower 7, Avenue 3  
The Horizon, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

Attention : Mr Lee Khian Lai

Dear Sir / Madam,

**VALUATION LETTER OF  
HSM 19660 – 19664 AND HSD 38192, LOT NOS. PT 33743 - PT 33747 AND PT 41097 (NOW  
KNOWN AS LOTS 66102 – 66106 AND 71922) RESPECTIVELY, MUKIM OF TANJONG DUABELAS  
AND HSD 38191, LOT NO. PT 473 (NOW KNOWN AS LOT 10533), PEKAN SUNGAI MANGGIS,  
ALL IN DISTRICT OF KUALA LANGAT, STATE OF SELANGOR DARUL EHSAN, MALAYSIA**

We refer to the above and your instructions to ascertain the Market Value of the abovementioned property **IN RELATION TO THE PROPOSED VOLUNTARY DELISTING OF LTC CORPORATION LIMITED.**

In accordance with the instructions, we are pleased to inform you that we have inspected the Property on 21 September 2018 and completed our investigations and value calculations.

Based on title searches conducted by us on 25 September 2018, the brief particulars of the property are as follows:-

Legal Description	:	HSM 19660 – 19664 and HSD 38192, Lot Nos. PT 33743 - PT 33747 and PT 41097 (now known as Lots 66102 – 66106 and 71922) respectively, Mukim of Tanjong Duabelas and HSD 38191, PT 473 (now known as Lot 10533), Pekan Sungai Manggis, all in District of Kuala Langat, State of Selangor Darul Ehsan, MALAYSIA
Property Type	:	Seven (7) parcels of industrial land
Tenure	:	Freehold
Total Titular Land Area	:	530,687 square metres (5,712,267 square feet / 131.1356 acres)
Total Surveyed Land Area	:	530,789 square metres (5,713,365 square feet / 131.1608 acres)

### Directors

**Sr KAMARUDZAMAN SAAD**, AMK  
B. Sc. (Hons) Land Mgt, MRICS, FRISM, MPEPS, MMIPPM

**DATUK Sr SIDSAPESAN SITTAMPALAM**, (SIDERS)  
B. Sc. (Est Mgt) U.K., MBA (Real Est) Sydney,  
FRICS, FRISM, MPEPS, MMIPPM, ICVS

**Sr THIRUSELVAM ARUMUGAM** (THIRU)  
B. Surv. (Hons) Property Mgt, MRICS, FRISM, MPEPS, MMIPPM

**Sr MARK SAW KHAY LIANG**, PJK  
B. Sc. (Hons) (Est Mgt) U.K., Dip (Hons) (Rural Est Mgt),  
FRICS, FRISM, MPEPS, MMIPPM, FMIEA

### Associate Directors / Registered Valuers

**Sr NORAKMAL MOHD SALLEH @ ELIAS**  
B. Sc. (Hons) in Prop Mgt & Valuation, MRISM

**PRIVATE & CONFIDENTIAL**

## APPENDIX IV – EXTRACTS OF VALUATION REPORTS



Encumbrance : Nil  
 Registered Proprietor : Che Kiang Realty Sdb Bhd (Company No. 35778-A)

As requested, we are pleased to inform you in advance of our detailed Report and Valuation that in our opinion the Market Value of the freehold interests in the property, HSM 19660 – 19664 and HSD 38192, Lot Nos. PT 33743 - PT 33747 and PT 41097 (now known as Lots 66102 – 66106 and 71922) respectively, Mukim of Tanjong Duabelas and HSD 38191, PT 473 (now known as Lot 10533), Pekan Sungai Manggis, all in District of Kuala Langat, State of Selangor Darul Ehsan, MALAYSIA, with vacant possession and free from all encumbrances, as at 21 September 2018 are as follows:-

No.	Lot	Land Area (Square Metres)	Market Value
1	PT 33743 (Lot 66102)	15,763	RM4,410,000.00
2	PT 33744 (Lot 66103)	11,600	RM3,250,000.00
3	PT 33745 (Lot 66104)	11,600	RM3,250,000.00
4	PT 33746 (Lot 66105)	11,600	RM3,250,000.00
5	PT 33747 (Lot 66106)	15,762	RM4,410,000.00
6	PT 41097 and PT 473 (Lot 71922 & Lot 10533)	464,397	RM64,980,000.00
<b>Total</b>			<b>RM83,550,000.00</b> <b>(Ringgit Malaysia: Eighty Three Million Five Hundred And Fifty Thousand Only)</b>

**Market Value** is the estimated amount for which an asset or an interest in a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

**"In accordance to Standard 7 and 8 of the Malaysian Valuation Standards and for all intents and purposes, this Valuation Letter is not valid on its own and has solely been prepared to meet your immediate requirement. It should be read in conjunction with our detailed Report and Valuation which will be sent to you shortly"**

Our standard Limiting Conditions are attached herewith.

Please do not hesitate to contact us should you require any clarification or further assistance.

For and on behalf of  
**PPC INTERNATIONAL SDN BHD**

**Sr THIRUSELVAM ARUMUGAM**  
 Executive Director  
 B. Surv. (Hons) Property Mgt,  
 MRICS, FRISM, MPEPS, FMIPPM  
 Registered Valuer (V-606)

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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF  
CAPITAL, DIVIDENDS AND VOTING**

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The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution, which is available for inspection at the registered address of the Company at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957. The relevant provisions have been extracted from the Constitution and reproduced in italics below. Capitalised terms and expressions not defined below have the meanings ascribed to them in the Constitution.

**(a) Rights in respect of Capital**

***“ISSUE OF SHARES***

4. *Subject to the Statutes, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 8, and to any special rights attached to any shares for the time being issued, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, provided always that:*
- (a) no Director shall participate in any issue of shares to employees unless the members in General Meeting have approved of the specific allotment to be made to such Director and unless he holds office in an executive capacity;*
  - (b) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the members in a General Meeting;*
  - (c) no shares shall be issued at a discount except in accordance with the Statutes; and*
  - (d) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 8(A) with such adaptations as are necessary shall apply.*
5. (A) *In the event of preference shares being issued the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.*
- (B) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.*



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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF  
CAPITAL, DIVIDENDS AND VOTING**

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**VARIATION OF RIGHTS**

6. (A) *Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders or the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.*
- (B) *The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.*

**ALTERATION OF SHARE CAPITAL**

7. *The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.*
8. (A) *Subject to any direction to the contrary that may be given by the Company in General Meeting, all new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 8(A).*

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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF  
CAPITAL, DIVIDENDS AND VOTING**

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- (B) *Notwithstanding Article 8(A), 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) where:*
- (i) *the aggregate number of shares to be issued pursuant to such authority does not exceed 50% (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited) of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited) of the issued share capital of the Company for the time being; and*
  - (ii) *unless previously revoked or varied by the Company in General Meeting, such authority to issue shares does not continue 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 is required to be held, or the expiration of such other period as may be prescribed by the statutes (whichever is earlier).*
- (C) *Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.*
9. *The Company may by Ordinary Resolution:*
- (a) *consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;*
  - (b) *cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;*
  - (c) *sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares;*
  - (d) *subject to the provisions of the Statutes, convert any class of shares into any other class of shares.*
10. *The Company may reduce its share capital or any capital redemption reserve fund, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.*

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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF  
CAPITAL, DIVIDENDS AND VOTING**

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- 10A. *Subject to and in accordance with the provisions of the Act, the Company may authorise the Directors in General Meeting to purchase or otherwise acquire ordinary shares issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. All shares purchased by the Company shall be cancelled. The amount of the Company's issued share capital which is diminished on cancellation of the shares purchased shall be transferred to the Company's capital redemption reserve.*

**SHARES**

11. *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 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 these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (as the case may be) person whose name is entered in the Depository Register in respect of that share.*
12. *Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed.*
13. *Subject to the provisions of these presents and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.*
14. *The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted provided that the rate or amount of the commissions paid or agreed to be paid shall be disclosed in the manner required by the Statutes. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.*
15. *Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within 10 market days of the closing date (or such other period as may be approved by any Stock Exchange upon which the shares in the Company may be listed) of any such application. "Market day" shall have the meaning ascribed to it in Article 18. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*

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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF  
CAPITAL, DIVIDENDS AND VOTING**

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**FORFEITURE AND LIEN**

27. *If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.*
28. *The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.*
29. *If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.*
30. *A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.*
31. *A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at that time of forfeiture or surrender or waive payment in whole or in part.*
32. *The Company shall have a first and paramount lien on every share (not being a fully paid share) and dividends from time to time declared in respect of such shares, which 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 waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.*
33. *The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of a share or the person entitled thereto by reason of his death or bankruptcy.*

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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF  
CAPITAL, DIVIDENDS AND VOTING**

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

**TRANSMISSION OF SHARES**

43. (A) *In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.*
- (B) *In the case of the death of a member who is a Depositor, the survivors or survivor where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.*
- (C) *Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.*
44. *Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person.*



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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF  
CAPITAL, DIVIDENDS AND VOTING**

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45. *Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share pursuant to Article 43(A) or (B) or Article 44 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share.*

**STOCK**

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

**(b) Rights in respect of Voting**

**“GENERAL MEETINGS**

49. *An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.*
50. *The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.*

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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
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**NOTICE OF GENERAL MEETINGS**

51. *Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereafter mentioned to all members other than such as are not under the provisions of these presents entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:*

- (a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and*
- (b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right;*

*Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any Stock Exchange upon which the Company may be listed.*

52. (A) *Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.*

(B) *In the case of an Annual General Meeting, the notice shall also specify the meeting as such.*

(C) *In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.*

53. *Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:*

- (a) declaring dividends;*
- (b) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;*
- (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;*

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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
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- (d) *re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);*
  - (e) *fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and*
  - (f) *fixing the Directors' fees.*
54. (A) *Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.*
- (B) *Except so far as otherwise provided by these presents, "notices" shall include notices given by telefax, telex, cable or telegram by the Company.*

**PROCEEDINGS AT GENERAL MEETINGS**

55. *The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.*
56. *No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy.*
57. *If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the directors may by not less than ten days' notice appoint. At the adjourned meeting any one or more members present in person or by proxy shall be a quorum.*
58. *The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.*
59. *Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.*



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60. *If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.*
61. *At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:*
- (a) the chairman of the meeting; or*
  - (b) not less than two members present in person or by proxy and entitled to vote; or*
  - (c) a member present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or*
  - (d) a member present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right;*
- Provided always that no poll shall be demanded on the choice of a chairman or on a question of adjournment.*
62. *A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.*
63. *In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.*
64. *A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.*

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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
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**VOTES OF MEMBERS**

65. *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. On a show of hands every member who is present in person and each proxy shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company.*
- 65A. *Every member shall be entitled to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia. In case of member not personally present shall be entitled to vote via mail, email, fax or any form of electronic communication, if the shareholders so consent.*
66. *In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share.*
67. *Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.*
68. *No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.*
69. *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.*
70. *On a poll, votes may be given personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.*

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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
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71. (A) *A member may appoint not more than two proxies to attend and vote at the same General Meeting provided that if the member is a Depositor, the Company shall be entitled and bound:*
- (i) *to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and*
  - (ii) *to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant General Meeting 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.*
- (B) *The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instruments (if any) given by and the notes (if any) set out in the instrument of proxy.*
- (C) *In any case where a 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.*
- (D) *A proxy need not be a member of the Company.*
72. (A) *An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:*
- (a) *in the case of an individual shall be signed by the appointor or his attorney; and*
  - (b) *in the case of a corporation shall be either given under its common seal or signed on it behalf by an attorney or a duly authorised officer of the corporation.*
- (B) *The signature on such instrument need not be witnessed. Where an instrument, appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.*
73. *An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.*

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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
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74. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.*
75. *A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.*

**CORPORATIONS ACTING BY REPRESENTATIVES**

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

**(c) Rights in respect of Dividends**

**“DIVIDENDS**

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

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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
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126. (A) *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.*
- (B) *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.*
127. *The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.*
128. *The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.*
129. *Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 131, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.*
130. *If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.*



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**APPENDIX V – PROVISIONS IN THE CONSTITUTION  
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131. *Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.*

**CAPITALISATION OF PROFITS AND RESERVES**

132. *The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 8(B)), capitalise any sum standing to the credit of any of the Company's reserve accounts (including Share Premium Account, Capital Redemption Reserve Fund or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned)."*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### LTC CORPORATION LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 196400176K)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**Meeting**") of LTC Corporation Limited (the "**Company**") will be held at Ballroom A, Swissotel Merchant Court, 20 Merchant Road, Singapore 058281 on 14 November 2018 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution (on a poll to be taken) in accordance with the requirements of the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Delisting Resolution**):

#### DELISTING RESOLUTION

##### Approval for the Voluntary Delisting of the Company

That:

- (a) the voluntary delisting of the Company from the Official List of the SGX-ST under Rule 1307 and Rule 1309 of the Listing Manual (the "**Delisting**"), pursuant to which the Exit Offer (as defined in the circular to shareholders dated 29 October 2018 (the "**Circular**")) would be made to the shareholders of the Company on the terms and conditions described in the Circular, be and is hereby approved; and
- (b) the directors of the Company and each of them be and is hereby authorised and empowered to complete and to do all such acts and things as they or he may consider necessary or expedient to give effect to the Delisting and/or this Delisting Resolution, with such modification thereto (if any) as they or he shall think fit in the interests of the Company.

By Order of the Board

Silvester Bernard Grant  
Company Secretary  
29 October 2018

#### Notes:

- (1) A member of the Company entitled to attend and vote at the above Meeting, and who is not a Relevant Intermediary (which has the meaning ascribed to it in Section 181 of the Companies Act) is entitled to appoint one or two proxies to attend and vote in his place. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote in his place, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. A proxy need not be a member of the Company.
- (2) The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957, not less than 48 hours before the time appointed for the Meeting.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**Personal data privacy:**

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



# LTC CORPORATION LIMITED

Company Registration No.: 196400176K  
(Incorporated in the Republic of Singapore)

## PROXY FORM

### IMPORTANT:

1. Relevant Intermediaries (as defined in Section 181 of the Companies Act) may appoint more than two proxies to attend and vote at the meeting.
2. For CPF investors and SRS investors who have used their CPF/SRS monies to buy shares in the capital of the Company, this Circular is forwarded to you at the request of your CPF Agent Bank or SRS Agent Bank (as the case may be) and is sent **SOLELY FOR YOUR INFORMATION ONLY**.
3. This Proxy Form is therefore not valid for use by CPF investors and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. A CPF investor or SRS investor who wishes to attend the meeting as a proxy must submit his request to his CPF Agent Bank or SRS Agent Bank (as the case may be) so that his CPF Agent Bank or SRS Agent Bank may appoint him as its proxy within the time frame specified. (CPF Agent Banks/SRS Agent Banks: Please refer to Notes 3 and 4 on the reverse side of this form for the required details.)

I/We, \_\_\_\_\_ (Name), NRIC/Passport No. \_\_\_\_\_  
of \_\_\_\_\_ (Address)  
being a member/members of LTC CORPORATION LIMITED (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her/them, the chairman of the Extraordinary General Meeting (the "**Meeting**") as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Meeting of the Company to be held on 14 November 2018 at 10.00 a.m..

I/We direct my/our proxy/proxies to vote for or against the Delisting Resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any matter arising at the Meeting and at any adjournment thereof.

Delisting Resolution	No. of votes 'For'*	No. of votes 'Against'*
Approval for the voluntary delisting of the Company pursuant to Rule 1307 and Rule 1309 of the Listing Manual		

\* If you wish to use all your votes 'For' or 'Against', please indicate with an "X" within the box provided. Otherwise, please indicate the number of votes.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

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

\_\_\_\_\_  
Signature(s) of Member(s)/Corporation's Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**Notes:**

- (1) Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
- (2) A member of the Company entitled to attend and vote at a meeting of the Company, and who is not a Relevant Intermediary (which has the meaning ascribed to it in Section 181 of the Companies Act) is entitled to appoint one or two proxies to attend and vote in his stead and such proxy need not be a member of the Company. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- (3) A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote in his stead at a meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where more than one proxy is appointed, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form. In relation to a Relevant Intermediary who wishes to appoint more than two proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank or SRS Agent Bank who intends to appoint CPF investors or SRS investors (as the case may be) as its proxies shall comply with this Note.
- (4) The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 10 Arumugam Road, #10-00 LTC Building A, Singapore 409957, not less than 48 hours before the time appointed for the Meeting.
- (5) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
- (6) A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its constitution and Section 179 of the Companies Act.
- (7) The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member (being the appointor) is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
- (8) By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 29 October 2018.

**EGM  
Proxy Form**

Affix  
Postage  
Stamp

The Company Secretary  
**LTC CORPORATION LIMITED**  
10 Arumugam Road  
#10-00 LTC Building A  
Singapore 409957