CIRCULAR DATED 16 DECEMBER 2015

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

If you are in any doubt as to the course of 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 your shares in the capital of Eastern Holdings Ltd., you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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

EASTERN HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 198105390C)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED VOLUNTARY DELISTING OF EASTERN HOLDINGS LTD. PURSUANT TO RULES 1307 AND 1309 OF THE SGX-ST LISTING MANUAL

Independent Financial Adviser to the Independent Directors of Eastern Holdings Ltd.

PROVENANCECAPITAL

PROVENANCE CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200309056E)

IMPORTANT DATES, TIMES AND VENUE

Last date and time for lodgement of proxy form	:	5 January 2016* at 11:00 a.m. ** Please refer to Note 5 of proxy form*
Date and time of Extraordinary General Meeting	:	8 January 2016 at 11:00 a.m.
Venue of Extraordinary General Meeting	:	TKP Conference Centre Raffles Place Hall 1 55 Market Street #09-02 Singapore 048941

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

"**1H2016 Results**"	:	Unaudited financial statements for the six (6) months ended 30 September 2015
"**Acceptance Forms**"	:	FAA and/or FAT, as the case may be
"**Announcement**"	:	Joint announcement dated 22 September 2015 issued by the Offeror and the Company in relation to the Delisting Proposal and the Exit Offer
"**Announcement Date**"	:	22 September 2015, being the date of the Announcement
"**Articles**"	:	The articles of association of the Company, as amended from time to time up to the Latest Practicable Date
"**Board**"	:	The board of directors of the Company
"**CDP**"	:	The Central Depository (Pte) Limited
"**CIMB**"	:	CIMB Bank Berhad, Singapore Branch
"**Circular**"	:	This circular to Shareholders dated 16 December 2015 issued by the Company in relation to the Delisting
"**Closing Date**"	:	5.30 p.m. on 22 January 2016 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 lodgement of acceptances of the Exit Offer
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Companies Act**"	:	Companies Act, Chapter 50 of Singapore
"**Company Securities**"	:	(a) Shares; (b) securities which carry voting rights in EHL; and (c) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in EHL
"**Consolidated NTA**"	:	Consolidated net tangible assets
"**CPF**"	:	Central Provident Fund
"**CPF Agent Banks**"	:	The banks approved by the CPF to be its agent banks, being DBS Bank Ltd, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited as at the Latest Practicable Date
"**CPFIS**"	:	Central Provident Fund Investment Scheme
"**CPFIS Investors**"	:	Investors who purchased Shares using their CPF savings under the CPFIS
"**Delisting**"	:	The proposed voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual
"**Delisting Proposal**"	:	The delisting proposal dated 18 September 2015 by the Offeror to the Board to seek the Delisting
"**Delisting Resolution**"	:	The resolution to be proposed at the EGM to approve the Delisting
"**Delisting Resolution Approval Conditions**"	:	(a) the receipt by the Company of the SGX-ST No Objection Confirmation; (b) the approval of the Delisting Resolution by a majority of at least 75 per cent. of the total number of Shares held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM; (c) the Delisting Resolution not being voted against by 10 per cent. or more of the total number of Shares held by the Shareholders present and voting, on a poll, either in person or by proxy, at the EGM; and (d) the approval of such other relevant authority as may be required.
"**Directors**"	:	The directors of the Company (including the Independent Directors) as at the Latest Practicable Date
"**EGM**"	:	The extraordinary general meeting of the Company to be held on 8 January 2016, notice of which is set out in the Notice of EGM on page N-1 of this Circular, and any adjournment thereof
"**EHL**" or "**Company**"	:	Eastern Holdings Ltd.
"**Encumbrances**"	:	All liens, equities, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever
"**Exit Offer**"	:	The exit offer to be made by the Offeror, to acquire all the Shares in connection with the Delisting and on the terms and subject to the conditions set out in the Exit Offer Letter (including the Acceptance Forms), as such exit offer may be amended, extended and revised from time to time by the Offeror

"**Exit Offer Letter**"	:	The letter setting out the terms of the Exit Offer (including the Acceptance Forms), which is despatched by the Offeror to Shareholders on the same date as the Circular
"**Exit Offer Price**"	:	S$0.425 in cash for each Share tendered in acceptance of the Exit Offer
"**FAA**"	:	Form of Acceptance and Authorisation for Shares, to be issued to Shareholders whose Shares are deposited with CDP
"**FAT**"	:	Form of Acceptance and Transfer for Shares, to be issued to Shareholders whose Shares are not deposited with CDP
"**FY**"	:	Financial year ended or ending on, as the case may be, 31 March of a particular year as stated
"**Group**"	:	The Company and its subsidiaries
"**IFA**" or "**Provenance Capital**"	:	Provenance Capital Pte. Ltd., the independent financial adviser to the Independent Directors
"**IFA Letter**"	:	The letter dated 16 December 2015 from the IFA to the Independent Directors containing their advice in relation to the Exit Offer, as set out in **Appendix VII** to this Circular
"**Independent Auditors**"	:	BDO LLP
"**Independent Directors**"	:	The Directors who are considered to be independent for the purposes of making recommendations to the Shareholders in relation to the Delisting Proposal and the Exit Offer, namely, Lum Kum Kuen, Diong Tai Pew and Nicholas Jeyaraj s/o Narayanan
"**Independent Valuers**"	:	CKS Property Consultants Pte Ltd, M.A.D. Investment Solutions and Ascent Partners Valuation Service Limited, the valuers appointed by the Independent Directors in connection with the Delisting and the Exit Offer, to issue the Valuation Reports
"**Irrevocable Undertaking**"	:	The irrevocable undertaking received by the Offeror from MBT to, *inter alia*, vote and/or procure their respective nominees and parties acting in concert with it to vote, in respect of all their Shares (including such additional Shares as may be acquired by it and/or its nominees and/or parties acting in concert with it prior to the EGM), in favour of the Delisting Resolution and to accept the Exit Offer in respect of all their Shares
"**Latest Practicable Date**"	:	7 December 2015, being the latest practicable date prior to the printing of this Circular
"**Listing Manual**"	:	The listing manual of the SGX-ST
"**MBT**"	:	MBT Holdings Pte. Ltd.
"**Memorandum and Articles of Association**"	:	The memorandum and articles of association of the Company, as amended from time to time up to the Latest Practicable Date
"**Notice of EGM**"	:	The notice of EGM as set out on page N-1 of this Circular
"**NTA**"	:	Net tangible assets
"**Offeror**"	:	MBT Enterprises Pte. Ltd.
"**Offeror Securities**"	:	(a) shares in the capital of the Offeror; (b) securities which carry substantially the same rights as any to be issued as consideration for the Exit Offer; and (c) convertible securities, warrants, options or derivatives in respect of the shares in the capital of the Offeror or securities which carry substantially the same rights as any to be issued as consideration for the Exit Offer
"**Overseas Shareholders**"	:	Shareholders whose addresses are outside Singapore, as shown in the Register or, as the case may be, in the records of CDP
"**Register**"	:	The register of holders of the Shares, as maintained by the Share Registrar
"**Securities Account**"	:	Securities account (not including a securities sub-account) maintained with CDP
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**SGX-ST No Objection Confirmation**"	:	Confirmation from the SGX-ST to the Company that it has no objection to the Delisting
"**SGXNET**"	:	The website of the SGX-ST at www.sgx.com
"**Shareholders**"	:	Registered holders of the Shares or, if the registered holder of the Shares is the CDP, depositors who have Shares entered against their names in the depository register
"**Shares**"	:	Issued ordinary shares (excluding treasury shares, if any) in the capital of the Company

"**Share Registrar**"	:	Boardroom Corporate & Advisory Services Pte. Ltd.
"**SIC**"	:	The Securities Industry Council of Singapore
"**Substantial Shareholder**"	:	A person who has an interest (as defined in the Companies Act) in the Shares and the total votes attached to those Shares is not less than 5% of the total votes attached to all the voting Shares
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
"**Valuation Reports**"	:	The valuation reports from the Independent Valuers as set out in **Appendix VIII** to this Circular
"**%**" or "**per cent.**"	:	Per centum or percentage

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

The term "**Controlling Shareholder**" shall have the meaning ascribed to it in the Listing Manual.

The terms "**depositor**" and "**depository register**" shall have the meanings ascribed to them in Section 130A of the Companies Act.

The term "**interest**" shall have the meaning ascribed to it in Section 7 of the Companies Act.

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

The term "**treasury shares**" shall have the meaning ascribed to it in Section 4 of the Companies Act.

References to "**you**" and "**your**" in this Circular are to the Shareholders.

Appendices. Reference to any Appendix shall refer to the Appendices of this Circular, unless otherwise specified.

Capitalised terms in the extracts. Capitalised terms used in the extracts of the Exit Offer Letter and the IFA Letter shall bear the same meanings as attributed to them in the Exit Offer Letter and the IFA Letter respectively, unless otherwise specified.

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

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

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

Shares in issue and treasury shares. Any reference in this Circular to the total Shares in issue as at the Latest Practicable Date is a reference to a total of 149,999,999 Shares. The Company does not hold any treasury shares as at the Latest Practicable Date.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the Listing Manual or the Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Listing Manual or the Code or any statutory modification thereof, as the case may be, unless the context otherwise requires.

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

FORWARD-LOOKING STATEMENTS

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

TENTATIVE TIMETABLE

Date of despatch of this Circular	:	16 December 2015
Last date and time for lodgement of proxy forms for the EGM[1]	:	5 January 2016 at 11:00 a.m.
Date and time of the EGM	:	8 January 2016 at 11:00 a.m.
Expected date of despatch of the Exit Offer Letter and commencement of the Exit Offer	:	16 December 2015
Expected last date of trading in the Shares on the SGX-ST prior to the Delisting	:	To be announced by or on behalf of the Company
Expected Closing Date and time of the Exit Offer	:	5.30 p.m. on 22 January 2016, or such other date(s) as may be announced from time to time by the Offeror
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 the Company
Expected date(s) for the payment of the Exit Offer Price, in respect of valid acceptances of the Exit Offer	:	Within ten (10) 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)

Note:

(1) Subject to the proposed amendments to Section 178 of the Companies Act pursuant to the Companies (Amendment) Act 2014 taking effect 72 hours before the time set for the EGM, proxy forms must be deposited at the registered office of the Company at 1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206 not less 72 hours before the time set for the EGM. In the event that the proposed amendments to Section 178 of the Companies Act pursuant to the Companies (Amendment) Act 2014 do not take effect 72 hours before the time set for the EGM, proxy forms must be deposited at the registered office of the Company at 1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206 not less than 48 hours before the time set for the EGM. Completion and return of a proxy form will not preclude a Shareholder from attending and voting in person at the EGM in place of his proxy.

Please note that the Exit Offer is conditional upon the Delisting Resolution being passed at the EGM in accordance with Rule 1307 of the Listing Manual. If this condition is not satisfied at the EGM to be convened, the Delisting will not proceed, and 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. Please refer to Appendix I of the Exit Offer Letter if you wish to accept the Exit Offer.

EASTERN HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 198105390C)

Board of Directors:

Kenneth Tan Kay Soon *(Chairman and Group Managing Director)*

Lum Kum Kuen *(Executive Director)*

Diong Tai Pew *(Independent Non-Executive Director)*

Nicholas Jeyaraj s/o Narayanan *(Independent Non-Executive Director)*

Registered Office:

1100 Lower Delta Road
#02-01 EPL Building
Singapore 169206

16 December 2015

To: The Shareholders of Eastern Holdings Ltd.

Dear Sir/Madam

PROPOSED VOLUNTARY DELISTING OF EASTERN HOLDINGS LTD. PURSUANT TO RULES 1307 AND 1309 OF THE LISTING MANUAL

1. INTRODUCTION

1.1 On the Announcement Date, the Company and MBT Enterprises Pte. Ltd. (the "**Offeror**") jointly announced that the Offeror had presented to the Board the Delisting Proposal to seek the voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual. Under the terms of the Delisting Proposal, the Offeror will make the exit offer to acquire all the Shares in connection with the Delisting and on the terms and subject to the conditions set out in the Exit Offer Letter (including the Acceptance Forms), as such exit offer may be amended, extended and revised from time to time by the Offeror (the "**Exit Offer**") at S$0.425 in cash for each Share tendered in acceptance of the Exit Offer (the "**Exit Offer Price**").

A copy of the Announcement is available on the SGXNET.

1.2 Having reviewed the Delisting Proposal, the Board has resolved, inter alia, to: (a) make an application to the SGX-ST for the Delisting; and (b) subject to the approval of the SGX-ST, convene an EGM to seek the approval of the Shareholders for the Delisting.

1.3 The purpose of this Circular is to provide Shareholders with information relating to the Delisting Proposal and the Exit Offer, the recommendation of the Independent Directors on the Exit Offer, and to seek Shareholders' approval at the EGM for the Delisting Resolution to be proposed at the EGM, notice of which is set out in the Notice of EGM at page N-1 of this Circular.

2. THE DELISTING PROPOSAL

Under the terms of the Delisting Proposal, the Offeror will make the Exit Offer to acquire all the Shares held by the Shareholders other than those held, directly or indirectly by the Offeror as at the date of the Exit Offer. The Delisting Resolution, if approved by Shareholders at the EGM in accordance with Rule 1307 of the Listing Manual, will result in the Delisting.

2.1 Rules 1307 and 1309 of the Listing Manual

(a) **Rule 1307 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:

(i) the Company convenes an EGM to obtain Shareholders' approval for the Delisting;

(ii) the Delisting Resolution is approved by a majority of at least 75% of the total number of Shares held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM (the Directors and Controlling Shareholders need not abstain from voting on the Delisting Resolution); and

(iii) the Delisting Resolution has not been voted against by 10% or more of the total number of Shares held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM.

(b) **Rule 1309 of the Listing Manual.** In addition, under Rule 1309 of the Listing Manual, if the Company is seeking to delist from the SGX-ST:

(i) a reasonable exit alternative, which should normally be in cash, should be offered to the Shareholders and holders of any other classes of listed securities to be delisted; 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 Delisting Proposal, an application was made by the Offeror to the SIC to seek clarification regarding the extent to which the provisions of the Code applied to the Exit Offer. The SIC ruled on 2 September 2015, *inter alia*, that:

(a) the Exit Offer is exempted from compliance with the following provisions of the Code, extracts of which are set out in **Appendix I** to this Circular:

(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:

(i) disclosure in this Circular of the Consolidated NTA per Share of the Group comprising the Company, its subsidiaries and associated companies based on the latest published accounts prior to the date of this Circular;

(ii) disclosure in this Circular of particulars of all known material changes as of the Latest Practicable Date which may affect the Consolidated NTA per Share referred to in paragraph (i) above or a statement that there are no such known material changes, and

(iii) the Exit Offer remaining open for at least:

(A) 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 has been obtained, or

(B) 14 days after the date of the announcement of Shareholders' approval of the Delisting Proposal if the Exit Offer Letter is despatched on the same date as this Circular;

(b) the Offeror is not required to disclose in the Exit Offer Letter the information required under Rule 23.4(c) to (h) of the Code, subject to the Offeror disclosing in this Circular that the Offeror is an exempt private company and does not have any published audited accounts;

(c) the Irrevocable Undertaking to be provided by MBT to the Offeror does not constitute a "special deal" under Rule 10 of the Code. MBT is a controlling shareholder of the Company. As at the Latest Practicable Date, MBT holds approximately 86.89% of the issued share capital of the Company. MBT is an investment holding company, whose sole asset comprises Shares. The directors of MBT are Janet Lim and Brandon Tay and the shareholders of MBT are Janet Lim and Stephen Tay, each holding 50% of the issued share capital of MBT;

(d) the Directors and Controlling Shareholders of the Company are not required to abstain from voting on the Delisting Resolution; and

(e) the Offeror is permitted to limit disclosure of dealings and/or holdings of shares in the Announcement to the Offeror and its directors, MBT and its shareholders, and CIMB, subject to the Offeror promptly making queries subsequent to the Announcement of all other persons acting or presumed to be acting in concert with the Offeror on the number of shares owned, controlled or agreed to be acquired by them.

2.3 Application to the SGX-ST

An application was made on behalf of the Company to the SGX-ST on 16 November 2015 to delist the Company from the Official List of the SGX-ST. On 4 December 2015, the SGX-ST provided the Company with the SGX-ST No Objection Confirmation.

3. THE EXIT OFFER

Subject to, *inter alia*, the approval of the Delisting Resolution by Shareholders, the Offeror will make the Exit Offer to acquire all the Shares on the terms and subject to the conditions set out in the Exit Offer Letter, the Acceptance Form(s) and on the following basis:

3.1 Exit Offer Price

For each Share: S$0.425 in cash

THE OFFEROR DOES NOT INTEND TO REVISE THE EXIT OFFER PRICE UNDER ANY CIRCUMSTANCES.

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

Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of the Shares. Each Shareholder who accepts the Exit Offer will receive S$42.50 for every 100 Shares tendered for acceptance under the Exit Offer.

3.2 No Encumbrances

As stated in the Exit Offer Letter (which was despatched concurrently with this Circular):

(a) The Shares will be acquired fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends and other distributions, if any, which may be declared, paid or made by the Company on or after the Announcement Date); and

(b) **If any dividend, other distribution or return of capital is declared made or paid by the Company on or after the Announcement Date, the Offeror reserves the right to reduce the Exit Offer Price by the amount of such dividend, distribution or return of capital.**

As at the Latest Practicable Date, no dividend, other distribution or return of capital has been declared, made or paid by the Company on or after the Announcement Date.

3.3 Making of Exit Offer

The Exit Offer is conditional upon the Delisting Resolution being passed at the EGM in accordance with Rule 1307 of the Listing Manual. **If this condition is not satisfied at the EGM to be convened, the Delisting will not proceed and the Company will remain listed on the SGX-ST. The Exit Offer will also lapse and all acceptances of the Exit Offer will be returned.**

When made, the Exit Offer will not be conditional upon a minimum number of acceptances being received by the Offeror.

3.4 Conditions for Delisting

As stated in the Exit Offer Letter, the Delisting and the Exit Offer will each be conditional on the Delisting Resolution Approval Conditions.

Save for these conditions, the Delisting Proposal and Exit Offer will each be unconditional in all respects.

Shareholders should note that under Rule 1307(2) of the Listing Manual, all Shareholders including the Directors and the Controlling Shareholders are entitled to vote on the Delisting Resolution. As at the Latest Practicable Date, the Offeror does not hold any Shares.

3.5 Undertaking by MBT

As stated in the Exit Offer Letter, MBT has irrevocably and unconditionally undertaken to the Offeror that in the event the EGM is convened, it will vote and/or procure its nominees and parties acting in concert with it to vote, in respect of all their Shares (including such additional Shares as may be acquired by it and/or its nominees and/or parties acting in concert with it prior to the EGM), in favour of the Delisting Resolution and to accept the Exit Offer in respect of all of its Shares. As at the Latest Practicable Date, MBT holds approximately 86.89% of the issued share capital of the Company. Further information on the Irrevocable Undertaking is set out in Section 4 of the Letter to Shareholders in this Circular.

3.6 Acceptances

As stated in the Exit Offer Letter:

The Shareholders may accept the Exit Offer in full or in part. **The Exit Offer is not conditional upon a minimum number of acceptances being received by the Offeror.**

Shareholders are to note that if the Delisting Resolution Approval Conditions are not fulfilled, the Delisting will not proceed and the Company will remain listed on the SGX-ST. The Exit Offer will also lapse and all acceptances of the Exit Offer will be returned.

3.7 Warranty

As stated in the Exit Offer Letter, acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Share in respect of which the Exit Offer is accepted is sold by him as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions, if any, which may be announced, declared, paid or made by the Company on or after the Announcement Date).

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

3.8 Duration

As stated in the Exit Offer Letter, the Exit Offer will be open for acceptance from the date of despatch of the Exit Offer Letter. The Exit Offer will continue to be open for acceptance by Shareholders for a period of 14 days after the date of announcement of Shareholders' approval for the Delisting Resolution at the EGM. If the Delisting Resolution is not approved at the EGM, the Exit Offer will lapse.

Accordingly, if the Delisting Resolution is approved by the Shareholders, the Exit Offer will close at 5.30 p.m. on 22 January 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

4. IRREVOCABLE UNDERTAKING

The information relating to the Irrevocable Undertaking has been extracted from paragraph 2.7 of the Exit Offer Letter and reproduced below.

> 2.7 Irrevocable Undertakings
>
> The Offeror has obtained an irrevocable written undertaking ("**Irrevocable Undertaking**") from MBT to vote and/or procure its nominees and parties acting in concert with it to vote, in respect of all their Shares (including such additional Shares as may be acquired by it and/or its nominees and/or parties acting in concert with it prior to the EGM), in favour of the Delisting Resolution and to accept the Exit Offer in respect of all their Shares. The Irrevocable Undertaking includes an agreement by MBT to defer (without interest) receipt of payment of the consideration in respect of all the Shares held by it and tendered in acceptance of the Exit Offer to a date to be mutually agreed between the Offeror and MBT, notwithstanding the provisions of the Code in relation to the time period in which payment should be made.
>
> As at the Latest Practicable Date, MBT holds an aggregate of 130,329,862 Shares ("**Undertaking Shares**"), representing approximately 86.89% of the issued share capital of the Company.
>
> The Irrevocable Undertaking shall expire if (a) the Delisting Resolution is not approved at the EGM, or (b) the Exit Offer (including any revised or improved Exit Offer by or on behalf of the Offeror) is withdrawn, lapses or closes.
>
> The shareholdings of MBT in the Company are set out in paragraph 8.1 of Appendix II to this Exit Offer Letter.
>
> Save as disclosed in this Exit Offer Letter, as at the Latest Practicable Date, none of the Offeror nor any party acting in concert with it has received any irrevocable undertaking from any party to accept or reject the Exit Offer.

As stated in the Exit Offer Letter, the Irrevocable Undertaking will expire if (a) the Delisting Resolution is not approved at the EGM, or (b) the Exit Offer (including any revised or improved Exit Offer by or on behalf of the Offeror) is withdrawn, lapses or closes.

5. INFORMATION ON THE OFFEROR

The information relating to the Offeror has been extracted from paragraph 3.1 of the Exit Offer Letter and reproduced below.

> 3.1 The Offeror
>
> The Offeror is a special purpose vehicle incorporated in Singapore for the purposes of the Delisting and the Exit Offer. Its principal activity is that of investment holding. As at the Latest Practicable Date, the Offeror has an issued and paid-up capital of S$10,000 comprising 10,000 shares, 100.0% of which is held by Janet Lim.
>
> The board of directors of the Offeror comprises Janet Lim and her son, Brandon Tay E-Jen ("**Brandon Tay**").
>
> Janet Lim is also a director of MBT and holds 50% of the issued share capital of MBT. Stephen Tay, the husband of Janet Lim, holds the other 50% of the issued share capital of MBT. Janet Lim is deemed interested in the Shares held by MBT by virtue of: (i) her being a director and holding 50% of the shareholding of MBT; and (ii) her being the wife of Stephen Tay, who holds the other 50% in MBT.
>
> Brandon Tay does not hold any shares in the Company.
>
> The Offeror is an exempt private company and does not have any published audited accounts.
>
> As at the Latest Practicable Date, the Offeror does not own any Shares.

As far as the Board is aware, the information on the Offeror in the above extract is accurate as at the Latest Practicable Date.

6. INFORMATION ON THE COMPANY

EHL was incorporated in Singapore and the principal activities of the Group comprise publishing and property development. As at the Latest Practicable Date, the issued and paid-up share capital of the Company consists of 149,999,999 Shares and there are no Shares held in treasury.

Additional information on the Company, including a summary of the Group's financial performance for the last three financial years, namely FY2013, FY2014 and FY2015 and 1H2016 is set out in Appendix II to this Circular.

7. RATIONALE FOR DELISTING AND THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY

The information relating to the Offeror's rationale for the Delisting and the Offeror's intentions relating to the Company has been extracted from paragraph 4 of the Exit Offer Letter and reproduced below.

4. RATIONALE FOR THE DELISTING AND THE OFFEROR'S INTENTIONS

4.1 Clean Cash Exit Opportunity at an Upfront Premium

Through this Delisting Proposal and Exit Offer, the accepting Shareholders will have an opportunity to realise their investments in the Company for a cash consideration at a premium over the VWAP in respect of the respective periods below, without incurring any brokerage and other trading costs.

The following table benchmarks the Exit Offer Price against the historical transacted prices of the Shares on the SGX-ST (on a consolidated basis):

	Description[3]	Share Price (S$)[1]	Premium/ (Discount) over/ (to) Share Price[2] (%)
(a)	Last transacted price per Share on 18 September 2015 (being the last full day of trading in the Shares on the SGX-ST prior to the Joint Announcement Date (the "Last Market Day"))	0.300	41.7%
(b)	VWAP for the one-month period prior to and including the Last Market Day	0.300	41.7%
(c)	VWAP for the three-month period prior to and including the Last Market Day	0.335	26.8%
(d)	VWAP for the six-month period prior to and including the Last Market Day	0.349	21.8%
(e)	VWAP for the 12-month period prior to and including the Last Market Day	0.404	5.1%

Source: Bloomberg L.P.

Notes:

(1) The historical market prices and the corresponding premium are computed based on data extracted from Bloomberg L.P. Such prices have been adjusted for the special one-tier tax exempt dividend of 13 Singapore Cents announced on 13 November 2014.

(2) Computed based on the share prices which were rounded to the nearest three (3) decimal places

(3) The volume weighted average traded price ("**VWAP**") is calculated based on the daily VWAP turnover divided by VWAP volume of the Shares as extracted from Bloomberg L.P.. Off market transactions are excluded from the calculation.

(4) "**Market Day**" refers to a day on which the SGX-ST is open for the trading of securities.

4.2 Low trading liquidity of the Shares

The trading liquidity of the Shares on the SGX-ST in the past year has been generally thin. As at the Latest Practicable Date, the percentage of the total number of issued Shares held in public hands is 13.07%. The average daily trading volume of the Shares for the one (1) month, three (3) months, six (6) months, and twelve (12) months periods prior to and including the Last Market Day are as follows:

Period Prior to and including the Last Market Day	Average Daily Trading Volume ('000) [1]	Approximate percentage of total number of Shares [2]
Last one (1) Month	28,817	0.02%
Last three (3) Months	56,346	0.04%
Last six (6) Months	62,676	0.04%
Last twelve (12) Months	100,935	0.07%

Source: Bloomberg L.P.

Notes:

(1) The average daily trading volume is computed based on the total trading volume for the Shares (excluding off-market transactions) for all traded Market Days for the relevant periods immediately prior to and including the Last Market Day, divided by the total number of traded Market Days during the respective periods.

(2) Based on 149,999,999 Shares, being the total number of issued Shares.

In view of the low trading liquidity, during the periods prior to and including the Last Market Day, we believe that the Exit Offer represents an opportunity for Shareholders (without incurring any brokerage and other trading costs) to realise their investments in Shares at a price which may not otherwise be readily available.

4.3 Greater management flexibility

The Offeror believes that the Delisting of the Company would provide the management of the Company with greater flexibility to manage and develop the existing businesses of the Group while exploring opportunities without the attendant cost, regulatory restrictions and compliance issues associated with its listed status on the SGX-ST.

4.4 Compliance costs of maintaining listing

The Company incurs additional compliance and associated costs in maintaining the Company's listing status. As a non-listed entity, the Group will be able to (i) achieve cost-savings by dispensing with costs associated with complying with SGX-ST listing requirements and other regulatory requirements as well as human resources that have to be committed for such compliance, and (ii) focus its resources on its business operations.

4.5 No present need for access to Singapore capital markets

The Company has not carried out any exercise to raise cash funding on the SGX-ST in the past fourteen (14) years and it is unlikely that the Company will require access to the Singapore capital markets to finance its operations in the foreseeable future. Accordingly, it is not necessary for the Company to maintain a listing on the SGX-ST.

4.6 Offeror's Intentions

The Offeror has no current intention of (a) making material changes to the Company's existing business, (b) re-deploying of the Company's fixed assets, or (c) discontinuing the employment of the employees of the Company and its subsidiaries, other than in the ordinary course of business. In addition, the Offeror has no current intention of seeking a listing of the Company on another stock exchange.

Nonetheless, the Offeror retains the flexibility at any time to consider options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.

8. IMPLICATIONS OF DELISTING FOR SHAREHOLDERS AND COMPULSORY ACQUISITION

8.1 Implications of Delisting for Shareholders

Shareholders should note that shares of unquoted companies are generally valued at a discount to the shares of comparable listed companies as a result of the lack of liquidity and marketability. **If the Company is delisted from the Official List of the SGX-ST, 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. 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 a 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 close 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 unquoted company, the Company will no longer be obliged to comply with the listing requirements of the SGX-ST, in particular the continuing corporate disclosure requirements under Chapter 7 and Appendices 7.1 to 7.4 of the Listing Manual. Nonetheless, as a company incorporated in Singapore, the Company will still need to comply with the Companies Act and its memorandum and articles of association and the interests of Shareholders who do not accept the Exit Offer will be protected to the extent provided for by the Companies Act which includes, *inter alia*, the entitlement to be sent a copy of the profit and loss accounts and balance sheet at least 14 days before each annual general meeting, at which the accounts will be presented.

If the Company is delisted from the Official List of the SGX-ST, each Shareholder who holds Shares that are deposited with the Central Depository (Pte) Limited (the "**CDP**") and does not accept the Exit Offer will be entitled to one share certificate representing his delisted Shares. The Share Registrar will arrange to forward the share certificates to such Shareholders (who are not investors who purchased Shares using their Central Provident Fund ("**CPF**") savings under the Central Provident Fund Investment Scheme ("**CPFIS**") ("**CPFIS Investors**"), by ordinary post and at the Shareholders' 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 who do not accept the Exit Offer will be forwarded to their respective CPF Agent Banks for their safe keeping.

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

8.2 Compulsory Acquisition of Shares

(a) The information relating to the rights of compulsory acquisition has been extracted from paragraph 5 of the Exit Offer Letter and reproduced below.

> **5. COMPULSORY ACQUISITION**
>
> Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires 90% or more of the Shares (other than those already held by the Offeror and their respective nominees as at the date of the Exit Offer and excluding any Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Exit Offer at a price equal to the Exit Offer Price.
>
> The Offeror intends to make the Company its wholly-owned subsidiary. **Accordingly, when entitled, the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.**
>
> The Offeror currently does not hold any Shares but has obtained an Irrevocable Undertaking from MBT to vote and/or procure their respective nominees and parties acting in concert with it to vote, in respect of all their Shares (including such additional Shares as may be acquired by it and/or its nominees and/or parties acting in concert with it prior to the EGM), in favour of the Delisting Resolution and to accept the Exit Offer in respect of all their Shares.
>
> As at the Latest Practicable Date, MBT holds approximately 86.89% of the issued share capital of the Company.
>
> Accordingly, aside from MBT's existing shareholding in the Company, the Offeror will need to acquire an additional 4,670,138 Shares (approximately 3.11% of the issued share capital of the Company), by way of its Exit Offer or pursuant to the Irrevocable Undertaking, to meet the minimum 90% threshold requirement.
>
> In addition, Shareholders who have not accepted the Exit Offer have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the event that the Offeror and/or its nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror and/or their respective nominees, comprise 90% or more of the total issued Shares (excluding treasury shares).
>
> **Shareholders who have not accepted the Exit Offer and who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.**
>
> **Shareholders should read carefully Section 8 of the Letter to Shareholders entitled "I*mplications of Delisting For Shareholders And Compulsory Acquisition*" set out in the Delisting Circular.**

(b) In the event the requirements of Delisting under Rules 1307 and 1309 of the Listing Manual are met, but (i) the Offeror is not entitled to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act; or (ii) Shareholders who have not accepted the Exit Offer are not entitled to require the Offeror to acquire their Shares at the Exit Offer Price under Section 215(3) of the Companies Act, **the Company will be delisted notwithstanding the level of acceptances of the Exit Offer, and Shareholders who do not accept the Exit Offer will continue to hold their Shares with the Company becoming an unlisted company.**

(c) **Shareholders who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek independent professional advice.**

9. CONFIRMATION OF FINANCIAL RESOURCES

As stated in the Exit Offer Letter, CIMB, the financial adviser to the Offeror in respect of the Exit Offer, has confirmed that the Offeror has sufficient financial resources to satisfy full acceptance of the Exit Offer for the Shares at the Exit Offer Price (excluding the 130,329,862 Shares in view of the Irrevocable Undertaking).

10. OVERSEAS SHAREHOLDERS

10.1 Availability of Exit Offer and documents relating to the Delisting

The information relating to the availability of the Exit Offer and the documents relating to the Delisting to Overseas Shareholders has been extracted from paragraph 10 of the Exit Offer Letter and reproduced below.

10. OVERSEAS SHAREHOLDERS

10.1 Overseas Shareholders

The availability of the Exit Offer to the Shareholders whose addresses are outside Singapore, as shown on the Register of Members of the Company or, as the case may be, in the records of CDP (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, any Overseas Shareholder should inform himself about and observe any applicable legal requirements in his own jurisdiction, and exercise caution in relation to the Exit Offer, as this Exit Offer Letter, the Acceptance Forms and the Delisting Circular have not been reviewed by any regulatory authority in any overseas jurisdiction. **Where there are potential restrictions on sending this Exit Offer Letter, the Acceptance Forms and the Delisting Circular to any overseas jurisdiction, the Offeror, CDP and the Company each reserves the right not to send these documents to such overseas jurisdictions.** For the avoidance of doubt, the Exit Offer is open to all the Shareholders holding Offer Shares, including those to whom this Exit Offer Letter, the Acceptance Forms and the Delisting Circular have not been, or may not be, sent.

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

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

10.2 Copies of the Exit Offer Letter, Acceptance Forms and Delisting Circular

Overseas Shareholders may, nonetheless, obtain copies of this Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and any related documents, during normal business hours, from the date of this Exit Offer Letter and up to the Closing Date, from the Offeror through its receiving agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Shareholder may write in to the Offeror through Boardroom Corporate & Advisory Services Pte. Ltd. at the address listed above to request for this Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's own risk (the last day for despatch in respect of such request shall be a date falling three (3) Market Days prior to the Closing Date).

10.3 Overseas Jurisdictions

It is the responsibility of any Overseas Shareholder who wishes to (a) request for this Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and/or any related documents, and/ or (b) accept the Exit Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, CDP, the Company and/or any person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror, CDP, the Company and/ or any person acting on its behalf may be required to pay. In (i) requesting for this Exit Offer Letter, the relevant Acceptance Forms, the Delisting Circular and/or any related documents, and/ or (ii) accepting the Exit Offer, the Overseas Shareholder represents and warrants to the Offeror, CDP and the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

ANY OVERSEAS SHAREHOLDER WHO IS IN ANY DOUBT ABOUT HIS POSITION SHOULD CONSULT HIS PROFESSIONAL ADVISER IN THE RELEVANT JURISDICTION.

10.4 Notice

The Offeror reserves the right to (a) reject any acceptance of the Exit Offer where it believes, or has reason to believe, that such acceptance may violate the applicable laws of any jurisdiction, and (b) notify any matter, including the despatch of this Exit Offer Letter, any formal documentation relating to the Exit Offer, and the fact that the Exit Offer has been made, to any or all the Shareholders (including the Overseas Shareholders) by announcement to the SGX-ST and if necessary, paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.

10.2 Circular

This Circular does not constitute an offer to sell or the solicitation of an offer to subscribe for 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 this Circular in any jurisdiction in contravention of applicable law and regulation. The Exit Offer will be made solely by the Exit Offer Letter and the Acceptance Forms accompanying the Exit Offer Letter, which will contain the full terms and conditions of the Exit Offer, including details as to how the Exit Offer may be accepted.

In view of the potential restrictions on sending this Circular or any related documents to any overseas jurisdiction, the Company reserves the right not to send such documents to such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of this Circular during normal business hours and up to 5.30 p.m. on the Closing Date from the Share Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Company c/o the Share Registrar at the above-stated address to request for the Circular to be sent to an address in Singapore by ordinary post at his own risk, up to 5 market days prior to the Closing Date.

11. EXEMPTION RELATING TO DIRECTORS' RECOMMENDATION

11.1 All the Directors, except for Mr. Kenneth Tan Kay Soon, are independent for the purposes of the Exit Offer and are required to make a recommendation to Shareholders in respect of the Exit Offer.

11.2 Mr. Kenneth Tan Kay Soon is the Chairman and Group Managing Director of the Company. He is also the cousin of Mr. Stephen Tay, who is in turn the spouse of Mdm. Janet Lim. Mdm. Janet Lim is a director and sole shareholder of the Offeror.

An application was made to the SIC to seek the SIC's ruling that Mr. Kenneth Tan Kay Soon is not considered independent for the purposes of the Exit Offer and should therefore be exempted from making and assuming responsibility for any recommendations on the Exit Offer to Shareholders as he faces an irreconcilable conflict of interests in relation to the Exit Offer.

The SIC ruled on 12 October 2015 that Mr. Kenneth Tan Kay Soon is exempted from making and assuming responsibility for any recommendations on the Exit Offer to the Shareholders, as he faces an irreconcilable conflict of interests in doing so, being a presumed concert party of the Offeror. Mr. Kenneth Tan Kay Soon must, nonetheless, still assume responsibility for the accuracy of facts stated or opinions expressed in documents and advertisements issued by, or on behalf of the Company in connection with the Exit Offer.

12. DISCLOSURES OF HOLDINGS AND DEALINGS IN SHARES

12.1 Interest in Shares of the Directors

The interests of the Directors who have an interest, direct or indirect, in the Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date, are set out below.

	Direct Interest		Deemed Interest	
Name of Director	**No. of Shares**	**% of Shares[1]**	**No. of Shares**	**% of Shares[1]**
Nicholas Jeyaraj s/o Narayanan	60,000	0.04	–	–

Note:

(1) The percentage is computed based on the total of 149,999,999 Shares in issue as at the Latest Practicable Date.

12.2 Dealings in Company Securities by the Directors

None of the Directors have dealt for value in the Shares or any Company Securities during the period commencing six (6) months prior to the Announcement Date and ending on the Latest Practicable Date.

12.3 Interest in Shares of the Substantial Shareholders

The interests of the Substantial Shareholders in the Shares as recorded in the register of Substantial Shareholders as at the Latest Practicable Date are as set out below.

	Direct Interests		Deemed Interests	
Name of Substantial Shareholder	**No. of Shares**	**% of Shares[1]**	**No. of Shares**	**% of Shares[1]**
Stephen Tay Thian Boon[2]	-	-	130,329,862	86.89
Janet Lim[2]	-	-	130,329,862	86.89
MBT Holdings Pte. Ltd.[2]	130,329,862	86.89	-	-

Notes:

(1) The percentage is computed based on the total of 149,999,999 Shares in issue as at the Latest Practicable Date.

(2) Mr. Stephen Tay Thian Boon and Mdm. Janet Lim (who are spouses) are, by virtue of Sections 7 and 64 of the Companies Act, deemed interested in the Shares held by MBT Holdings Pte. Ltd.

13. ADVICE OF INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS

Provenance Capital has been appointed as the independent financial adviser to the Independent Directors. The IFA Letter setting out its advice to the Independent Directors is set out in **Appendix VII** to this Circular. Shareholders are advised to read and consider the IFA Letter in its entirety.

The information relating to the advice of Provenance Capital to the Independent Directors and the key factors taken into consideration by Provenance Capital have been extracted. Shareholders are advised to read the copy of the IFA Letter in its entirety. Section 9 of the IFA Letter, which sets out the recommendations of Provenance Capital to the Independent Directors, has been extracted and reproduced below. Unless otherwise defined in the IFA Letter, all terms and expressions used in the extract below shall bear the same meanings as defined in the Circular and in the IFA Letter.

9. OUR RECOMMENDATION TO THE INDEPENDENT DIRECTORS ON THE EXIT OFFER

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

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

(b) Financial performance of the Group;

(c) Net asset value of the Group;

(d) Comparison with recently completed delisting and privatisation of companies listed on the SGX-ST;

(e) Comparison of valuation ratios of selected companies listed on the SGX-ST which are broadly comparable with the Group;

(f) Dividend track record of the Company; and

(g) Other relevant considerations in relation to the Exit Offer which may have a significant bearing on our assessment.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the financial terms of the Offer are fair and reasonable and not prejudicial to the interests of the Shareholders. Accordingly, we advise the Independent Directors to make the following recommendations to the Shareholders:

(A) vote in favour of the Delisting Resolution at the EGM; and

(B) in the event that the Delisting Resolution is passed, Shareholders who are not prepared to accept the implications and consequences of holding Shares in an unlisted company should either:

(i) ACCEPT the Exit Offer; or

(ii) SELL their Shares in the open market if they can obtain a price equal to or higher than the Exit Offer Price (after deducting transaction costs) before the Shares are suspended from trading or delisted from the SGX. Shareholders should note that there is no assurance that the market prices and trading volumes of the Shares will be maintained at current levels prevailing as at the Latest Practicable Date; or

(iii) if they are so entitled, exercise their rights to require the Offeror to acquire their Shares under Section 215(3) of the Companies Act. Shareholders who decide to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent advice.

In rendering the above advice, we have not given regard to any general or specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints or other particular circumstances of any individual Shareholder. As each individual Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, accountant, legal, financial, tax or other professional adviser immediately. The Independent Directors should advise Shareholders that the opinion and advice of Provenance Capital should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Exit Offer, as the case may be.

14. INDEPENDENT DIRECTORS' RECOMMENDATIONS

The Independent Directors have reviewed the terms of the Delisting Proposal (including the Exit Offer) and have carefully considered the advice of Provenance Capital in its letter set out in **Appendix VII** to this Circular.

The Independent Directors concur with the recommendation of Provenance Capital in respect of the Exit Offer. Accordingly, the Independent Directors recommend that Shareholders **VOTE IN FAVOUR** of the Delisting Resolution.

In relation to the Exit Offer and in the event that the Delisting Resolution is passed and the Exit Offer is made, the Independent Directors recommend that Shareholders either **ACCEPT the Exit Offer** or sell their Shares in the open market if they are able to obtain a price higher than the Exit Offer Price (after deducting all related expenses) by doing so.

Shareholders who wish to retain all or part of their investment in their Shares are advised to take into consideration the general economic outlook and the implications of holding shares in an unlisted or delisted company as set out under Section 8 of the Letter to Shareholders in this Circular in the event that the Company is delisted from the Official List of the Mainboard of the SGX-ST.

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

Accordingly, the Independent Directors advise that the opinion and advice of the IFA should not be relied upon by any Shareholder as the sole basis for deciding whether to vote for or against the Delisting Resolution and/or to accept or reject the Exit Offer.

15. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held at TKP Conference Centre Raffles Place, Hall 1, 55 Market Street #09-02, Singapore 048941 on 8 January 2016 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the Delisting Resolution set out in the Notice of EGM.

A depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the depository register, as certified by CDP at least 48 hours before the EGM.

16. ACTION TO BE TAKEN BY SHAREHOLDERS

16.1 Voting at the EGM

You will find enclosed with this Circular, the Notice of EGM and proxy form. If you are unable to attend the EGM and you wish to appoint a proxy to attend and vote on your behalf, you should complete and sign the proxy form in accordance with the instructions printed thereon.

Subject to the proposed amendments to Section 178 of the Companies Act pursuant to the Companies (Amendment) Act 2014 taking effect 72 hours before the time set for the EGM, you should return the completed and signed proxy form to the Company's registered office at 1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206 not later than 72 hours before the time fixed for the EGM (or any adjournment thereof). In the event that the proposed amendments to Section 178 of the Companies Act pursuant to the Companies (Amendment) Act 2014 do not take effect 72 hours before the time set for the EGM, you should return the completed and signed proxy form to the registered office of the Company at 1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206 not less than 48 hours before the time set for the EGM. Your completion and return of the proxy form will not prevent you from attending and voting in person at the EGM if you subsequently so wish, in place of your proxy.

16.2 Acceptance of the Exit Offer

Shareholders should note that the Exit Offer is conditional upon the Delisting Resolution being passed at the EGM in accordance with Rule 1307 of the Listing Manual. If this condition is not satisfied at the EGM to be convened, the Delisting will not proceed, and 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. Please refer to Appendix I of the Exit Offer Letter if you wish to accept the Exit Offer.

As stated in the Exit Offer Letter:

(a) **If you hold Shares that are deposited with CDP**, you should receive a FAA together with the Exit Offer Letter. If you do not receive the FAA, you may obtain a copy of the FAA during normal business hours from CDP, at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588, upon production of satisfactory evidence that you are a Shareholder.

(b) **If you hold Shares that are represented by share certificate(s) and are not deposited with CDP**, you should receive a FAT together with the Exit Offer Letter. If you do not receive the FAT, you may obtain a copy of the FAT from the office of the Offeror's receiving agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, upon production of satisfactory evidence that you are a Shareholder.

(c) The Exit Offer may only be accepted by the relevant Shareholder to whom the Exit Offer Letter is addressed.

(d) Shareholders may choose to submit the relevant Acceptance Form(s) to accept the Exit Offer before the EGM. However, please note that such acceptance is conditional upon the Delisting Resolution Approval Conditions being satisfied. In the event that any of the Delisting Resolution Approval Conditions is not fulfilled, the Exit Offer will lapse and both the Shareholders and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder. Those 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.

(e) **If you wish 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 the relevant Acceptance Form during the period commencing from the date of despatch of the Exit Offer Letter and ending at 5.30 p.m. on the Closing Date.

(f) If you hold share certificate(s) of the Shares beneficially owned by you and wish to accept the Exit Offer in respect of such Shares, you **SHOULD NOT** deposit the share certificate(s) with CDP during the period commencing on the date of the Exit Offer Letter and ending on the Closing Date (both dates inclusive) as the "Free Balance" of your Securities Account may not be credited with the relevant number of Shares in time for you to accept the Exit Offer.

(g) **If you decide not to accept the Exit Offer**, you do not have to take any action. In the event that the Delisting Resolution Approval Conditions are satisfied, you will continue to hold unquoted Shares in the Company as an unlisted company. If you hold Shares that are deposited with CDP, a share certificate in respect of your Shares that are deposited with CDP will be sent, by ordinary post and at your own risk, to your address as it appears in the records of CDP, after the Company has been delisted from the Official List of the SGX-ST.

The detailed procedures for acceptance and additional information on settlement of the Exit Offer will be set out in the Exit Offer Letter. Additional information on the procedures for acceptance and settlement of the Exit Offer is set out in **Appendix IX** to this Circular.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including Mr. Kenneth Tan Kay Soon and those who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular (other than those relating to the Offeror, the parties acting in concert with it, the Exit Offer, the recommendations of the Independent Directors, the IFA Letter and the Valuation Reports) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Group in the context of the Delisting, all opinions expressed are fair and accurate and the Directors are not aware of any material facts the omission of which would make any statement in this Circular misleading.

In respect of the IFA Letter and the Valuation Reports, the responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

The recommendations of the Independent Directors to Shareholders set out in Section 14 entitled "Independent Directors' Recommendations" of this Letter to Shareholders is the responsibility of the Independent Directors.

Where information in this Circular has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror or the parties acting in concert with it, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources, or as the case may be, accurately reflected or reproduced in this Circular in its proper form and context.

18. CONSENTS

18.1 Provenance Capital, the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of:

(a) its name in this Circular;

(b) its advice to the Independent Directors set out in section 13 of this Letter to Shareholders and the "Letter from the IFA to the Independent Directors" set out in **Appendix VII** to this Circular; and

(c) the letter from the IFA in relation to the unaudited financial statements of the Group for 1H2016 set out in **Appendix VI** to this Circular, and all references thereto in the form and context in which they appear in this Circular.

18.2 BDO LLP, the Independent Auditors, have given and have not withdrawn their written consent to the issue of this Circular with the inclusion herein of the following:

(a) its name in this Circular in the context mentioned in (b) and (c) below;

(b) the audited consolidated financial statements of the Group for FY2015 set out in **Appendix IV** to this Circular ("**FY2015 Results**");

(c) the Independent Auditors' review report on the interim financial information of the Group for 1H2016 set out in **Appendix V** to this Circular ("**1H2016 Review Report**"); and

(d) all references to its name, the FY2015 Results, and the 1H2016 Review Report in the form and context in which they respectively appear in this Circular.

18.3 CKS Property Consultants Pte. Ltd., the Independent Valuer, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of the following:

(a) its name in this Circular;

(b) its Valuation Report set out in **Appendix VIII** to this Circular; and

(c) all references to its name and its Valuation Report in the form and context in which they appear in this Circular.

18.4 M.A.D. Investment Solutions, the Independent Valuer, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of:

(a) its name in this Circular;

(b) its Valuation Reports dated 21 October 2015 as set out in **Appendix VIII** to this Circular, the certificates of valuation and such other documents on the properties and the land plot owned and/or co-owned by the Group (collectively, the "V**aluation Documents**"); and

(c) all references to its name and the Valuation Documents in the form and context in which they appear in this Circular.

18.5 Ascent Partners Valuation Service Limited, the Independent Valuer, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of:

(a) its name in this Circular;

(b) its Valuation Report as set out in **Appendix VIII** to this Circular; and

(c) all references to its name and their Valuation Report in the form and context in which they appear in this Circular.

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office at 1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206 during normal business hours, from the date of this Circular until the date of the EGM:

(a) the Memorandum and Articles of Association;

(b) the letter from the Offeror to the Company dated 18 September 2015 in respect of the Delisting Proposal;

(c) the letter from the IFA to the Independent Directors set out in **Appendix VII** to this Circular;

(d) the audited financial statements of the Group for FY2013 and FY2014;

(e) the audited financial statements of the Group for FY2015 set out in **Appendix IV** to this Circular;

(f) the unaudited financial statements of the Group for 1H2016 and Independent Auditors' review report on the financial statements of the Group for 1H2016 set out in **Appendix V** to this Circular;

(g) the letter from the IFA in relation to the unaudited financial statements of the Group for 1H2016 set out in **Appendix VI** to this Circular;

(h) the Valuation Reports set out in **Appendix VIII** to this Circular; and

(i) the letters of consent referred to in Section 18 of this Letter to the Shareholders.

20. ADDITIONAL INFORMATION

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

Yours faithfully
For and on behalf of the Board of Directors of
EASTERN HOLDINGS LTD.

Lum Kum Kuen
Executive Director

RELEVANT EXTRACTS OF THE CODE

The following section is reproduced from the relevant rules of the Code, and all terms and expressions used in the extracts below shall bear the same meanings as attributed to them in the Code unless otherwise stated.

20 REVISION

20.1 Offer open for 14 days after revision

If revised, an offer must be kept open for at least 14 days from the date of posting of the written notification of the revision to shareholders.

NOTES ON RULE 20.1

1. Announcements which may increase the value of an offer

In a securities exchange offer, an offeror's announcement of trading results, profit or dividend forecasts, asset valuations or proposals for dividend payments may increase the value of the offer. Therefore, an offeror will not normally be permitted to make such announcements after it is precluded from revising the offer. This restriction does not apply to the announcement of trading results and dividends in order to comply with the law or the listing rules of the Securities Exchange. The Council must be consulted beforehand, and be satisfied that every effort has been made to bring the announcement forward and it does not appear likely to influence materially the outcome of the offer.

2. When revision is required

An offeror will be required to revise its offer if it, or any person acting in concert with it, purchases shares at above the offer price or it becomes obliged to introduce a cash offer or to make a cash offer, or to increase the existing cash offer.

3. When revision is not permissible

An offeror must not place itself in a position where it would be required to revise its offer if:-

(a) it has made a no increase statement; or

(b) such revision would require the offer period to be extended beyond the last day on which the offer is capable of becoming or being declared unconditional as to acceptances stipulated in Rule 22.9.

4. Triggering a mandatory offer

When an offeror, which is making a voluntary offer either in cash or with a cash alternative, makes an acquisition which causes it to have to extend a mandatory offer at no higher than the existing cash offer, the change in the nature of the offer will not be viewed as a revision (and will thus not be precluded by an earlier no increase statement), even if the offeror is obliged to waive any outstanding condition. But such an acquisition can be made only if the offer can remain open for acceptance for a further 14 days following the date on which the amended offer document is posted. If the offeror has earlier made a no increase statement but subsequently makes an acquisition which causes it to incur a mandatory bid obligation at a higher offer price, then the offeror must implement the mandatory offer at the higher offer price. The Council takes a serious view of such breaches of the Code, and reserves the right to reprimand and or caution the offeror for going back on his earlier no increase statement. (See also Note 8 on Rule 14.1)

22 OFFER TIMETABLE

22.1 Despatch of offer document

The offer document, which must not be dated more than 3 days prior to despatch, should normally be posted not earlier than 14 days but not later than 21 days from the date of the offer announcement. The offeror should consult the Council in advance if the offer document is not to be posted within the prescribed period.

22.2 Despatch of the offeree board circular

The board of the offeree company should advise its shareholders of its views of the offer within 14 days of the posting of the offer document.

22.3 First closing date

An offer must initially be open for at least 28 days after the date on which the offer document is posted.

22.4 Further closing dates to be specified

Any announcement of an extension of an offer must state the next closing date or if the offer is unconditional as to acceptances, a statement may be made that the offer will remain open until further notice. In the latter case, those shareholders who have not accepted the offer should be notified in writing at least 14 days before the offer is closed.

22.5 No obligation to extend

There is no obligation to extend an offer the conditions of which are not met by the first or subsequent closing date.

22.6 Offer to remain open for 14 days after unconditional as to acceptances

After an offer has become or is declared unconditional as to acceptances, the offer must remain open for acceptance for not less than 14 days after the date on which the offer would otherwise have closed. This requirement does not apply if, before the offer becomes or is declared unconditional as to acceptances, the offeror has given notice in writing to shareholders of the offeree company at least 14 days before the specified closing date that the offer will not be open for acceptance beyond such date. Such notice may not be given, or if already given, will not be capable of being enforced in a competitive situation. This requirement also applies to an offer that is unconditional in all respects before the posting of the offer document, unless the offeror has stated in the offer document that the offer will not be extended beyond the first closing date.

NOTE ON RULE 22.6

Council would normally regard a competitive situation to have arisen if a competing offer has been announced. In the case where a pre-conditional offer or a proposal to acquire materially all of the assets and/or businesses is announced, the Council should be consulted.

22.7 No extension statements

If statements in relation to the duration of an offer such as "the offer will not be extended beyond a specified date unless it is unconditional as to acceptances" ("no extension statements") are included in documents sent to offeree company shareholders, or are made by or on behalf of an offeror, its directors, officials or advisers, and not withdrawn immediately if incorrect, the offeror will not be allowed subsequently to extend the offer beyond the stated date except where required by Rule 22.6, where the right to do so has been specifically reserved or in wholly exceptional circumstances.

NOTES ON RULE 22.7

1. Firm statements

Note 1 on Rule 20.2 also applies to this Rule, except all references to "finality" should be taken to be references to "duration".

2. Reservation of right to set statements aside

Note 2 on Rule 20.2 also applies to this Rule, except all references to "no increase statement" and "increase the offer" should be taken to be references to "no extension statement" and "extend the offer" respectively.

3. Recommended Offers

Note 3 on Rule 20.2 also applies to this Rule, except all references to "no increase statement" should be taken to be references to "no extension statement".

22.8 Offeree company announcements after day 39

Except with the Council's consent, the board of the offeree company should not announce trading results, profit or dividend forecasts, asset valuations or major transactions after the 39th day following the posting of the initial offer document. Where the announcement of trading results and dividends would normally take place after the 39th day, every effort should be made to bring forward the date of the announcement, but, where this is not practicable, the Council will normally give its consent to a later announcement. If an announcement of the kind referred to in this paragraph is made after the 39th day, the Council will normally be prepared to grant an extension of the period of 60 days referred to in Rule 22.9.

22.9 Final day rule

No offer (whether revised or not) will be capable of becoming or being declared unconditional as to acceptances after 5.30 pm on the 60th day after the date the offer document is initially posted nor of being kept open after the expiry of such period unless it has previously become or been declared unconditional as to acceptances. An offer may be extended beyond that period of 60 days with the permission of the Council. The Council will consider granting such permission in circumstances, including but not limited to, where a competing offer has been announced.

22.10 Time for fulfilment of other conditions

Except with the Council's consent, all conditions must be fulfilled or the offer must lapse within 21 days of the first closing date or of the date the offer becomes or is declared unconditional as to acceptances, whichever is the later.

28 ACCEPTANCES

28.1 Timing and contents

By 8.00 am at the latest on the dealing day ("the relevant day") immediately after the day on which an offer is due to expire, or becomes or is declared unconditional as to acceptances, or is revised or extended, the offeror must announce the total number of shares (as nearly as practicable):-

(a) for which acceptances of the offer have been received;

(b) held before the offer period; and

(c) acquired or agreed to be acquired during the offer period,

and specify the percentages of the relevant classes of share capital represented by these figures.

If the offeree company is quoted on the Securities Exchange, the offeror must also inform the Securities Exchange of the above.

NOTES ON RULE 28.1

1. Adequate measures to ensure accurate reporting

The Code requires all offers to be conditional upon a prescribed level of acceptance. It is therefore essential that the offeror adopts the necessary measures and procedures so that all parties to the offer may be confident that the result of the offer is arrived at by an objective procedure which, as far as possible, eliminates errors or uncertainty.

2. Acceptances

An acceptance may not be counted towards fulfilling an acceptance condition unless:-

(a) it is received by the offeror's receiving agent on or before the closing time for acceptance set out in the offeror's relevant document or announcement and the offeror's receiving agent has recorded that the acceptance and any relevant documents required by this Note have been so received; and

(b) the acceptance form is duly completed and:-

(i) accompanied by share certificates in respect of the relevant shares and, if those certificates are not in the name of the acceptor, such other documents (e.g. a duly stamped transfer of the relevant shares in blank or in favour of the acceptor executed by the registered holder) in order to establish the right of the acceptor to become the registered holder of the relevant shares;

(ii) is from a registered holder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to shares which are not taken into account under another sub-paragraph of this paragraph (b)); or

(iii) is certified by the offeree company's registrar, the Securities Exchange, or a depository agent of the Securities Exchange.

If the acceptance form is executed by a person other than the registered holder or a person who is capable of becoming a registered holder, appropriate evidence of authority (e.g. certified copy of grant of probate, letters of administration or power of attorney) must be produced.

3. Offeror's receiving agent's certificate

Before an offer may become or be declared unconditional as to acceptances, the offeror's receiving agent must deliver to the offeror or its financial adviser a certificate which states the number of acceptances received which comply with Note 2 on this Rule. Such certificate need not include those shares:-

(i) held by the offeror and its concert parties before the offer period; or

(ii) acquired or agreed to be acquired by the offeror and its concert parties during the offer period.

The offeror or its financial adviser must send copies of the receiving agent's certificate to the Council and the offeree company's financial adviser as soon as possible after it is issued.

4. Instruments convertible into, rights to subscribe for and options in respect of securities which carry voting rights

In situations where the offeree company has outstanding instruments convertible into, rights to subscribe for, or options in respect of, securities which carry voting rights, an offeror who pursuant to a take-over offer acquires more than 50% of the voting rights of the offeree company before the closing date of the offer might find that its holdings of voting rights in the offeree company may be diluted to below 50% on the closing date if such instruments, subscription rights or options not acquired by the offeror are exercised. Accordingly, in cases where the offeree company has such instruments, subscription rights or options, the offer will become or can be declared unconditional as to acceptances only if:-

(a) before the closing date, the offeror and persons acting in concert with it have acquired or agreed to acquire (either before, or during the offer period, through the exercise of such instruments, subscription rights or options or otherwise) offeree company shares carrying more than 50% of the voting rights attributable to the maximum potential share capital of the offeree company on the date of such declaration. For this purpose, the maximum potential share capital will be the total number of offeree company shares which would then be in issue had all the outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights of the offeree company (other than those acquired or agreed to be acquired by the offeror and person acting in concert with it) have been exercised as at the date of such declaration; or

(b) on the closing date, the offeror and persons acting in concert with it have acquired or agreed to acquire (either before or during the offer period, through the exercise of these instruments, such number of offeree company shares which, when taken together with the offeree company shares owned or controlled by the offeror and persons acting in concert with it, result in the offeror holding shares of the offeree company carrying over 50% of the voting rights then attributable to the offeree shares issued or to be issued pursuant to instruments convertible into, rights to subscribe for and options in respect of securities which carry voting rights which have been validly exercised by the closing date.

5. Purchases of shares

Purchases made through the Securities Exchange by the offeror and parties acting in concert with it with no pre-agreement or collusion between the parties to such transactions or their agents, may be counted towards satisfying the acceptance condition. All other purchases by the offeror and parties acting in concert with it (i.e. off market purchases) may only be counted when fully completed and settled.

6. General statements about acceptance levels

If, during an offer, any statements, either oral or in writing, are made by an offeror or any of its concert parties, advisers or agents about the level of acceptances of the offer or the number or percentage of shareholders who have accepted the offer, an immediate announcement must be made in conformity with this Rule.

7. Securities not dealt in on the Securities Exchange

In the case of companies whose securities are not dealt in on the Securities Exchange, it would normally be appropriate to write to all shareholders or issue a paid press notice instead of making an announcement.

8. Statements about withdrawal

When the offeree company is proposing to draw attention to withdrawals of acceptance, the Council must be consulted before an announcement is made. The Council will normally allow such announcements if the level of acceptances of an offer, which has been declared unconditional as to acceptances previously, later falls below that level needed for the offer to become or be declared unconditional as to acceptances.

9. Persons acting in concert

An announcement made under this Rule must make it clear to what extent acceptances have been received from persons acting in concert with the offeror and must state the number of shares and rights over shares (as nearly as practicable) held before the offer period and acquired or agreed to be acquired during the offer period by persons acting in concert with the offeror.

10. Borrowed shares

Shares which have been borrowed by the offeror or any person acting in concert with it may not be counted towards fulfilling an acceptance condition except with the consent of the Council. In the case where a person triggers a mandatory bid obligation under Rule 14 as a result of shareholdings that include shares that are borrowed (see Note 15 on Rule 14.1), the Council should be consulted on how the borrowed shares should be treated for the purpose of the acceptance condition.

28.2 Consequences of failure to announce

(a) If the offeror is unable within the time limit to comply with any of the requirements of Rule 28.1, the Council will consider requesting the Securities Exchange to suspend dealings in the offeree company's shares and, where appropriate, in the offeror's shares until the relevant information is given.

(b) If an offer has become or been declared unconditional as to acceptances, but the offeror fails by 3.30 pm on the relevant day to comply with any of the requirements of Rule 28.1, then immediately thereafter any acceptor will be entitled to withdraw his acceptance. Subject to Rule 22.9 (Final day rule), this right of withdrawal may be terminated not less than 8 days after the relevant day by the offeror confirming (if that be the case) that the offer is still unconditional as to acceptances and complying with Rule 28.1.

(c) For the purpose of Rule 22.6, the period of 14 days referred to therein will run from the date of such confirmation, or the date on which the offer would otherwise have expired, whichever is later.

29 ACCEPTORS' RIGHT TO WITHDRAW

An acceptor will be entitled to withdraw his acceptance after 14 days from the first closing date of the offer, if the offer has not by then become unconditional as to acceptances. Such entitlement to withdraw will be exercisable until the offer becomes unconditional as to acceptances. In a competitive situation, if one offer becomes unconditional as to acceptances, then offeree company shareholders who have tendered their acceptances for the other offer (the "unsuccessful offer") can, if they so wish, immediately withdraw their acceptances for the unsuccessful offer. This means that offeree company shareholders who have accepted the unsuccessful offer do not have to wait until the expiry of 14 days from the first closing date of the unsuccessful offer before they are entitled to withdraw their acceptances.

NOTE ON RULE 29

Council would normally regard a competitive situation to have arisen if a competing offer has been announced. In the case where a pre-conditional offer or a proposal to acquire materially all of the assets and/or businesses is announced, the Council should be consulted."

ADDITIONAL INFORMATION ON THE COMPANY

1. DIRECTORS

The name, address and designation of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Designation
Kenneth Tan Kay Soon	37 Eastwood Green Singapore 486371	Chairman and Group Managing Director
Lum Kum Kuen	28 Everitt Road North Singapore 428541	Executive Director
Diong Tai Pew	48 Yunnan Road Singapore 637911	Independent Non-Executive Director
Nicholas Jeyaraj s/o Narayanan	26 Truro Road Singapore 217570	Independent Non-Executive Director

2. REGISTERED OFFICE

The registered office of the Company is at 1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206.

3. PRINCIPAL ACTIVITIES

The Company's principal activity is that of investment holding.

4. SHARE CAPITAL

4.1 Issued Share Capital

The Company has only one class of shares, being ordinary shares. As at the Latest Practicable Date, the total number of issued Shares in the capital of the Company is 149,999,999 Shares. The Shares are quoted and listed on the Official List of the SGX-ST.

4.2 Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Articles. The provisions in the Articles relating to the rights of Shareholders in respect of capital, dividends and voting are set out in **Appendix III** to this Circular.

4.3 New Issues

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

4.4 Convertible Securities

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

4.5 Transfer Restrictions

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

5. DISCLOSURE OF INTERESTS

5.1 Shareholdings and Dealings

(a) **Interest of the Company in Offeror Securities**

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

(b) **Dealing in Offeror Securities by the Company**

The Company has not dealt for value in the Offeror Securities during the period commencing six (6) months prior to the Announcement Date, and ending on the Latest Practicable Date.

(c) **Interest of the Directors in Company Securities**

Save as disclosed in Section 12.1 of the Letter to Shareholders in this Circular, none of the Directors has any direct or deemed interest in the Company Securities as at the Latest Practicable Date.

(d) **Dealing in Company Securities by the Directors**

None of the Directors has dealt for value in the Company Securities during the period commencing six (6) months prior to the Announcement Date, and ending on the Latest Practicable Date.

(e) **Interest of the Directors in Offeror Securities**

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

(f) **Dealing in Offeror Securities by the Directors**

None of the Directors has dealt for value in the Offeror Securities during the period commencing six (6) months prior to the Announcement Date, and ending on the Latest Practicable Date.

(g) **Company Securities owned or controlled by the IFA**

Neither Provenance Capital, its related corporations nor funds whose investments are managed by it and its related corporations on a discretionary basis owns or controls any Company Securities as at the Latest Practicable Date.

(h) **Dealing in Company Securities owned by the IFA**

Neither Provenance Capital, its related corporations nor funds whose investments are managed by it and its related corporations on a discretionary basis has dealt for value in the Company Securities during the period commencing six (6) months prior to the Announcement Date, and ending on the Latest Practicable Date.

5.2 Director's intention in relation to the Exit Offer

As at the Latest Practicable Date, Nicholas Jeyaraj s/o Narayanan has confirmed that he intends to accept the Exit Offer in respect of 60,000 Shares held by him.

5.3 Service contracts with Directors

(a) There are (i) no service contracts between any of the Directors or proposed directors with the Company or 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) no such service contracts between any of the Directors or proposed directors with the Company or its subsidiaries entered into or amended during the period commencing six (6) months prior to the Announcement Date and ending on the Latest Practicable Date.

(b) It is not proposed that any payment or other benefit be made or given to any Director or to any 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 as consideration for or in connection with his retirement from office or otherwise in connection with the Exit Offer.

(c) There is no agreement or arrangement made between any Director and any other person in connection with or conditional upon the outcome of the Exit Offer.

(d) There are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

6. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save as disclosed in this Circular, on the SGXNET, in the Company's annual reports, or any publicly available information on the Company, neither the Company nor any of its subsidiaries has entered into material contracts (other than those entered into in the ordinary course of business[1] with persons who are interested persons1 during the period commencing three (3) years before the Announcement Date and ending on the Latest Practicable Date.

In this regard, it was disclosed in the Company's annual report for FY2015 that the Company and Mr. Stephen Tay entered into a consultancy agreement dated 14 July 2014 at a fee of approximately S$320,000 for FY2015.

7. MATERIAL LITIGATION

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

8. SUMMARY OF FINANCIAL INFORMATION

8.1 Consolidated Statement of Income

A summary of the audited income statement and audited consolidated statements of comprehensive income of the Group for FY2013, FY2014 and FY2015 and the unaudited consolidated income statement and unaudited consolidated statements of comprehensive income of the Group for 1H2016 is set out below.

1 An "interested person" is defined in the Note on Rule 23.12 of the Code to mean:
- (a) a director, chief executive Officer or Substantial Shareholder of the Company;
- (b) the immediate family of a director, the chief executive Officer or a Substantial Shareholder (being an individual) of the Company;
- (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive Officer or a Substantial Shareholder (being an individual) and his immediate family is a beneficiary;
- (d) any company in which a director, the chief executive Officer or a Substantial Shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (e) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder (being a company); or
- (f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more.

Consolidated Income Statement

	Audited FY2013[1]	Audited FY2014[1]	Audited FY2015[1]	Unaudited 1H2016
S$'000				
Revenue	10,536	26,562	18,165	3,835
Cost of sales	(1,706)	(16,356)	(9,162)	(351)
Gross profit (loss)	8,830	10,206	9,003	3,484
Other income	3,547	23,600	1,940	1,578
Interest income	255	448	330	30
Expense:				
- Selling and distribution	(305)	(347)	(326)	(154)
- Administrative and other	(9,386)	(9,570)	(9,219)	(5,842)
- Interest	(54)	(33)	(18)	(17)
- Others	-	-	-	-
Exceptional items	-	-	-	-
Profit before income tax	2,887	24,304	1,710	(921)
Income tax (expense)/credit	(867)	(1,289)	(346)	410
Profit after income tax	2,020	23,015	1,364	(511)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Financial assets, available-for-sale:				
- Fair value gain/(loss)	229	(402)	2,307	(1,000)
- Transfer to profit or loss	(3)	389	(165)	(792)
Exchange differences on translating foreign operations	(150)	(60)	67	53
Other comprehensive income for the financial year / period	76	(73)	2,209	(1,739)
Total comprehensive income for the financial year / period	2,096	22,942	3,573	(2,250)
Profit/(loss) attributable to:				
Owners of the parent	2,174	23,048	1,364	(511)
Non-controlling interests	(154)	(33)	-	-
	2,020	23,015	1,364	(511)
Total comprehensive income attributable to:				
Owners of the parent	2,250	22,975	3,573	(2,250)
Non-controlling interests	(154)	(33)	-	-
	2,096	22,942	3,573	(2,250)

	Audited FY2013 Restated[1]	Audited FY2014 Restated[1]	Audited FY2015 Restated[1]	Unaudited 1H2016
Earnings per Share (cents):				
- Basic	1.35	15.34	0.91	(0.34)
-Diluted	1.35	15.34	0.91	(0.34)
Net dividends per Share (cents):	-	1.00	26.00	-

Note:

(1) The comparative figures are restated due to the share consolidation of every two (2) ordinary shares in the capital of the Company into one (1) Share, fractional entitlements to be disregarded, which was completed on 31 August 2015. The figures were calculated based on the issued share capital of 149,999,999 Shares as at the Latest Practicable Date.

The above summary of the audited consolidated income statement of the Group for FY2013, FY2014 and FY2015 and the unaudited consolidated income statement of the Group for 1H2016 should be read together with the audited financial statements of the Group for the relevant years and related notes thereto, copies of which are available for inspection at the Company's registered office at 1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206.

8.2 Statement of Financial Position

A summary of the audited consolidated statement of financial position of the Group for FY2015 and unaudited consolidated statement of financial position of the Group for 1H2016 is set out below.

	Audited FY2015 S$'000	Unaudited 1H2016 S$'000
ASSETS		
Non-current assets		
Financial assets, available-for-sale	8,970	6,548
Club membership	56	56
Investment in subsidiaries	-	-
Investment properties	17,864	18,351
Property, plant and equipment	2,148	1,925
Intangible assets	1,361	1,361
Deferred tax assets	-	223
	30,399	28,464
Current assets		
Cash and cash equivalents	8,397	9,506
Financial assets, available-for-sale	1,755	2,001
Financial assets, at fair value through profit or loss	18	16
Trade and other receivables	7,184	7,699
Tax recoverable	162	268
Inventories	154	128
Development properties	13,663	11,557
	31,333	31,175
TOTAL ASSETS	61,732	59,639

EQUITY AND LIABILITIES		
Share capital and reserves attributable to equity holders of the Company		
Share capital	13,942	13,942
Other reserves	(1,658)	(3,397)
Retained earnings	44,162	43,651
Total equity	56,446	54,196
Non-current liabilities		
Borrowings	824	1,526
Current liabilities		
Trade and other payables	2,793	2,499
Borrowings	171	341
Current income tax payable	1,498	1,077
	4,462	3,917
TOTAL LIABILITIES	5,286	5,443
TOTAL EQUITY AND LIABILITIES	61,732	59,639

The above summary of the audited consolidated statement of financial position of the Group as at 31 March 2015 and unaudited consolidated statement of financial position of the Group as at 30 September 2015 should be read together with the audited financial statements of the Group for FY2015 and the unauditated financial statements of the Group for 1H2016 and related notes thereto, copies of which are available for inspection at the Company's registered office at 1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206.

The audited financial statements of the Group for FY2015 are set out in **Appendix IV** to this Circular. The unaudited financial statements of the Group for 1H2016 are set out in **Appendix V** to this Circular.

The net asset value per Share of the Group based on the latest published unaudited accounts for 1H2016 (the "**Consolidated Group NAV per Share**") is S$0.361. Based on the latest published unaudited accounts for 1H2016, the Consolidated NTA per Share of the Group is S$0.351. The Consolidated Group NAV per Share and the Consolidated NTA per Share of the Group as at 30 September 2015 were calculated based on the issued share capital of 149,999,999 Shares.

Save for the impairment of S$1,300,000 made to the audited financial statements of the Group for FY2015, based on the valuation done in respect of the semi-detached houses in Singapore at 87 and 99 Grove Drive by CKS Property Consultants Pte Ltd, as at the Latest Practicable Date, the Directors are not aware of any fact or circumstance that would result in any material change to the Consolidated Group NTA per Share as at 30 September 2015.

8.3 Significant Accounting Policies and Changes

A summary of the significant accounting policies of the Group is set out in Note 2 to the audited financial statements of the Group for FY2015, as set out in the annual report of the Company for FY2015, copies of which are available for inspection at the Company's registered office at 1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206.

As at the Latest Practicable Date, there is no change in the accounting policy of the Company which will cause the figures as disclosed in this Circular not to be comparable to a material extent.

8.4 Material Changes

Save as disclosed in publicly available information on the Company (including but not limited to announcements released by the Company in respect of its financial results such as the audited financial statements of the Group for FY2015 dated 10 July 2015 and set out in **Appendix IV** to this Circular and the unaudited consolidated financial statements of the Group for 1H2016 as announced on 11 November 2015 and set out in **Appendix V** of this Circular), as at the Latest Practicable Date, there have been no known material changes in the financial position of the Company since 31 March 2015, being the date to which the Company's last published audited accounts were made up.

RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

The following section on the rights of Shareholders in respect of capital, voting and dividends is reproduced from the relevant sections of the Articles, and all terms and expressions used in the extracts below shall bear the same meanings as attributed to them in the Articles unless otherwise stated.

"Rights in respect of capital

4. Subject to the Statutes and these presents, 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 shares shall be issued to transfer a controlling interest in the Company without the prior approval of the members in General Meeting;

(b) (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; and

(c) any other issue of shares, the aggregate of which would exceed the limits referred to in Article 8(A1), shall be subject to the approval of the Company in General Meeting.

5. (A) In the event of preference shares being issued the total number of issued preference shares shall not at any time exceed the total number of 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 shares ranking equally with, or in priority to, preference shares already issued.

5A. The Company shall not excercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.

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 number of the issued shares of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that 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 number of the issued shares of that class and that any holder of shares of that 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 that 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 number of the issued shares of that 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.

8. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Exchange's listing rules, all new shares shall before issue be offered to such persons 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).

(A1) 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

(a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

(b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while the Ordinary Resolution was in force,

provided that:-

(1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of lnstruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange;

(2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and these Articles; and

(3) (unless revoked by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue In force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is vthe earliest).

(B) 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 shares;

(b) 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; and

(c) subject to the provisions of the statutes, convert any class of shares into any other class of shares.

10. The Company may by Special Resolution reduce its share capital, or any other distributable reserve in any manner and with and subject to any incident authorised and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Articles and the Act, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

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 any of its issued shares on such terms as the Company may from time to time think fit and in the manner prescribed by the Act. All shares repurchased or otherwise acquired by the Company shall, unless held in treasury shares in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.

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 texcept 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) the 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 or brokerage on any issue of shares at such rate or amount as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.

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.

21. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.

22. Each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

23. If. a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. Per annum) as the Directors determine but the Directors shall be at liberty in any case to waive payment of such interest wholly or in part.

24. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment, all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

25. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

26. The Directors may if they think fit receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, while carrying interest, confer a right to participate in profits.

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 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment 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 the 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. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by the 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 14 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 the share or the person entitled thereto by reason of his death or bankruptcy.

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 be required) constitute 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.

36. All transfers of the legal title in shares. may be effected by the registered holders thereof by transfer in writing in the form for the time being approved by any Stock Exchange upon which the Company may be listed or in any other form acceptable to the Directors. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

37. The Register of Members may be closed at such times and for such period as the Directors may from time to time determine, provided always that such Register shall not be closed for more than 30 days in any year, Provided always that the Company shall give prior notice of such closure as may be required to any Stock Exchange upon which the Company may be listed, stating the period and purpose or purposes for which the closure is made.

38. (A) There shall be no restriction on the transfer of fully paid-up shares (except where required by law, the listing rules of any Stock Exchange upon which the shares of the Company may be listed or the rules and/or bye-laws governing any Stock Exchange upon which the shares of the Company may be listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid-up may refuse to register a transfer to a transferee of whom they do not approve, Provided always that in the event of the Directors refusing to register a transfer of shares, they shall within ten market days beginning with the day on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.

(B) The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:-

(a) all or any part of the stamp duty (if any) payable on each share certificate and such fee not exceeding $2 as the Directors may from time to time require, is paid to the Company in respect thereof;

(b) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do;

(c) the instrument of transfer is in respect of only one class of shares; and

(d) the amount of the proper duty with which each share certificate to be issued in consequence of the registration of such transfer is chargeable under any law for the time being in force relating to stamps is tendered.

39. If the Directors refuse to register a transfer of any shares, they shall within one month after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice of the refusal as required by the Statutes.

40. All instruments of transfer which are registered may be retained by the Company.

41. There shall be paid to the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding $2 as the Directors may from time to time require or prescribe.

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

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

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

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

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 the 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 the 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.

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.

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 as the Directors may from time to time determine.

48. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regard participation in the profits or assets of the Company) shall be conferred by such number of stock units 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.

Rights in respect of voting

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.

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 (21) days' notice in writing at the least and an Annual General Meeting or 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 General Meeting is to be held and shall be given in manner hereinafter 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. of the total voting rights of all the Members having a right to vote at thereat;

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 (14) 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, Provided Always that in the case of any Extraordinary General Meeting at which it is proposed to pass a Special Resolution, at least twenty-one days' notice in writing of such Extraordinary General Meeting shall be given 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 such 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;

(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 remuneration of the Directors proposed to be paid under Article 79.

54. 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.

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 30 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 30 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 trannacted at an adjourned meeting.

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 not less than 10 per cent of the total number of paid-up 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 (excuding treasury shares),

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 30 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.

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.

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 either 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.

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:-

(a) 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

(b) 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 instructions (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 its 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 Article 73, 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 48 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 be required to be delivered again for the purposes of any subsequent meeting to which it relates.

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.

76. Any corporation (or limited liability partnership) 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 (or limited liability partnership) as the corporation (or limited liability partnership) could exercise if it were an individual member of the Company and such corporation (or limited liability partnership) 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.

Rights in respect of 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.

122A. (A) Subject to the Listing Manual as may be amended from time to time, whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit.

In such case, the following provisions shall apply:

(a) the basis of any such allotment shall be determined by the Directors;

(b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;

(c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and

(d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the "elected ordinary shares") and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and (notwithstanding any provision of the Articles to the contrary), the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid including, without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalisation, application, payment and distribution of funds which may be lawfully appropriated, capitalised, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (i) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.

122A. (B) (a) The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.

(b) The Directors may do all acts and things considered necessary or expedient to give effect to any appropriation, capitalisation, application, payment and distribution of funds pursuant to the provisions of paragraph (A) of this Article, with full power to make such provisions as they think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the members) and to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such appropriation, capitalisation, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

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.

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 anyone 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, anyone of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

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.

132(1) The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 8(A1)):

(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the CDP register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as maybe specified therein or determined as therein provided); or

(ii) (in the case of an Ordinary Resolution passed pursuant to Article 8(A1) such other date as may be determined by the Directors,

in proportion of their then holdings of shares; and

(b) capitalize any sum standing to the credit of any of the Company's reserve accounts or other distributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of the shares in the Register of Members (as the case may be) in the CDP register at the close of business on:

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) in the case of an Ordinary Resolution passed pursuant to Article 8(A1) such other date as may be determined by the Directors,

in proportion to their then holdings of the 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.

132(2) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under 8(A1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

132(3) In addition and without prejudice to the powers provided for by Article 132(1) and 132(2), the Directors shall have the power to issue shares for which no consideration is payable and to capitalize any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	2015 $'000	2014 $'000
Revenue	4	18,165	26,562
Cost of sales		(9,162)	(16,356)
Gross profit		9,003	10,206
Other income	5	2,270	24,048
Expenses			
- Selling and distribution		(326)	(347)
- Administrative and other expenses		(9,219)	(9,570)
- Finance costs	6	(18)	(33)
		(9,563)	(9,950)
Profit before income tax	7	1,710	24,304
Income tax expense	9	(346)	(1,289)
Profit for the financial year		1,364	23,015
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Financial assets, available-for-sale			
- Fair value gain/(loss)		2,307	(402)
- Transfer to profit or loss		(165)	389
Exchange differences on translating foreign operations		67	(60)
Other comprehensive income for the financial year	10	2,209	(73)
Total comprehensive income for the financial year		3,573	22,942
Profit attributable to:			
Owners of the parent		1,364	23,048
Non-controlling interests		-	(33)
		1,364	23,015
Total comprehensive income attributable to:			
Owners of the parent		3,573	22,975
Non-controlling interests		-	(33)
		3,573	22,942
Earnings per share (cents):			
- Basic	11	0.45	7.68
- Diluted	11	0.45	7.68

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Note	Group		Company	
		2015	2014	2015	2014
		$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	8,397	56,628	5,433	51,191
Financial assets, available-for-sale	13	1,755	-	696	-
Financial assets, at fair value through profit or loss	14	18	18	18	18
Trade and other receivables	15	7,184	2,165	42,551	31,774
Tax recoverable		162	-	-	-
Inventories	16	154	253	-	-
Development properties	17	13,663	22,011	-	-
		31,333	81,075	48,698	82,983
Non-current assets					
Financial assets, available-for-sale	13	8,970	10,176	1,275	2,893
Club membership	18	56	56	56	56
Investments in subsidiaries	19	-	-	7,913	8,126
Investment properties	20	17,864	18,375	2,399	2,444
Property, plant and equipment	21	2,148	2,243	1,622	1,995
Intangible assets	22	1,361	1,361	-	-
		30,399	32,211	13,265	15,514
Total assets		61,732	113,286	61,963	98,497
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	23	2,793	6,758	40,277	41,217
Borrowings	24	171	10,401	171	171
Current income tax payable		1,498	1,499	889	1,156
		4,462	18,658	41,337	42,544
Non-current liabilities					
Deferred tax liabilities	25	-	260	-	-
Borrowings	24	824	995	824	995
		824	1,255	824	995
Total liabilities		5,286	19,913	42,161	43,539
Equity					
Share capital	26	13,942	13,942	13,942	13,942
Other reserves	27	(1,658)	(3,867)	629	17
Retained earnings		44,162	83,298	5,231	40,999
Total equity attributable to owners of the parent		56,446	93,373	19,802	54,958
Total liabilities and equity		61,732	113,286	61,963	98,497

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

Group	Share capital $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Equity reserve $'000	Retained earnings $'000	Total equity attributable to owners of the parent $'000
Balance at 1 April 2014	13,942	(184)	(206)	(3,477)	83,298	93,373
Profit for the financial year	-	-	-	-	1,364	1,364
Other comprehensive income for the financial year:						
Financial assets, available-for-sale:						
- Fair value gain	-	2,307	-	-	-	2,307
- Transfer to profit or loss	-	(165)	-	-	-	(165)
Exchange differences on translating foreign operations	-	-	67	-	-	67
Total other comprehensive income for the financial year	-	2,142	67	-	-	2,209
Total comprehensive income for the financial year	13,942	1,958	(139)	(3,477)	84,662	96,946
Contribution by and distributions to others						
– Dividends (Note 28)	-	-	-	-	(40,500)	(40,500)
Balance at 31 March 2015	13,942	1,958	(139)	(3,477)	44,162	56,446

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

Group	Share capital $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Equity reserve $'000	Retained earnings $'000	Equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 April 2013	13,942	(171)	(146)	-	60,250	73,875	(432)	73,443
Profit for the financial year	-	-	-	-	23,048	23,048	(33)	23,015
Other comprehensive income for the financial year:								
Financial assets, available-for-sale:								
- Fair value loss	-	(402)	-	-	-	(402)	-	(402)
- Transfer to profit or loss	-	389	-	-	-	389	-	389
Exchange differences on translating foreign operations	-	-	(60)	-	-	(60)	-	(60)
Total other comprehensive income for the financial year	-	(13)	(60)	-	-	(73)	-	(73)
Total comprehensive income for the financial year	-	(13)	(60)	-	23,048	22,975	(33)	22,942
Transactions with non-controlling interest								
– Acquisition of non-controlling interest in a subsidiary (Note 19)	-	-	-	(3,477)	-	(3,477)	465	(3,012)
Balance at 31 March 2014	13,942	(184)	(206)	(3,477)	83,298	93,373	-	93,373

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

Company	Share capital $'000	Fair value reserve $'000	Retained earnings $'000	Total Equity $'000
Balance at 1 April 2014	13,942	17	40,999	54,958
Profit for the financial year	-	-	4,732	4,732
Other comprehensive income for the financial year:				
Financial assets, available-for-sale:				
- Fair value gain	-	755	-	755
- Transfer to profit or loss	-	(143)	-	(143)
Total other comprehensive income for the financial year	-	612	-	612
Total comprehensive income for the financial year	-	612	4,732	5,344
Contribution by and distributions to others				
- Dividends (Note 28)	-	-	(40,500)	(40,500)
Balance at 31 March 2015	13,942	629	5,231	19,802
Balance at 1 April 2013	13,942	161	38,423	52,526
Profit for the financial year	-	-	2,576	2,576
Other comprehensive income for the financial year:				
Financial assets, available-for-sale:				
- Fair value loss	-	(218)	-	(218)
- Transfer to profit or loss	-	74	-	74
Total other comprehensive income for the financial year	-	(144)	-	(144)
Total comprehensive income for the financial year	-	(144)	2,576	2,432
Balance at 31 March 2014	13,942	17	40,999	54,958

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	2015	2014
		$'000	$'000
Operating activities			
Profit before income tax		1,710	24,304
Adjustments for:			
Allowance made for doubtful trade receivables		311	60
Depreciation of investment properties		619	534
Depreciation of property, plant and equipment		471	404
Dividend income		(626)	(484)
Fair value gain on financial assets, at fair value through profit or loss		-	(6)
Gain on disposal of financial assets, available-for-sale		(364)	(67)
Gain on disposal of investment properties		-	(19,310)
Impairment loss of financial assets, available-for-sale		199	456
Interest expenses		18	33
Interest income		(330)	(448)
Property, plant and equipment written off		-	4
Unrealised foreign exchange loss		(119)	(75)
Reversal of write-down of development property		-	(3,416)
Operating cash flows before movements in working capital		1,889	1,989
Working capital changes:			
Trade and other receivables		(5,330)	(97)
Development properties		8,348	7,386
Inventories		99	(10)
Trade and other payables		(3,965)	771
Cash from operating activities		1,041	10,039
Income tax paid		(769)	(1,159)
Income tax refund		-	164
Interest received		330	448
Net cash from operating activities		602	9,492

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	2015 $'000	2014 $'000
Investing activities			
Additions to property, plant and equipment		(484)	(72)
Additions to investment properties		-	(2,703)
Proceeds from disposal of financial assets, available-for-sale		6,821	21,172
Proceeds from disposal of investment properties (Note A)		-	26,751
Purchase of financial assets, available-for-sale		(5,063)	(11,031)
Dividend received		626	484
Net cash from investing activities		1,900	34,601
Financing activities			
Dividends paid to shareholders	28	(40,500)	-
Repayment of borrowings		(10,401)	(7,810)
Acquisition of non-controlling interest in a subsidiary		-	(3,012)
Interest paid		(18)	(33)
Net cash used in financing activities		(50,919)	(10,855)
Net change in cash and cash equivalents		(48,417)	33,238
Cash and cash equivalents at beginning of financial year		56,628	23,374
Effects of currency translation on cash and cash equivalents		186	16
Cash and cash equivalents at end of financial year	12	8,397	56,628

Note A

Gain on disposal of investment properties	-	19,310
Disposal of investment properties- net carrying amount	-	7,706
	-	27,016
Decrease in trade and other payables in relation to disposal of investment properties	-	(265)
Proceeds from disposal of investment properties	-	26,751

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

These notes form an integral part of and should be read in conjunction with the financial statements.

1. GENERAL CORPORATE INFORMATION

Eastern Holdings Ltd (the "Company") (Registration Number 198105390C) is a public limited company incorporated and domiciled in Singapore with its registered office and principal place of business at 1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are those of investment holding. The principal activities of its subsidiaries are shown in Note 19 to the financial statements.

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Directors on 30 June 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar, which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand ("$'000") as indicated.

The preparation of financial statements in compliance with FRS requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have the most significant effect on the financial statements are disclosed in Note 3.

In the current financial year, the Group and the Company have adopted all the new and revised FRS and INT FRS that are relevant to their operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS did not result in changes to the Group's and the Company's accounting policies and had no material effect on the amounts reported for the current or prior years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of financial statements (Continued)

FRS issued but not yet effective

At the date of authorisation of these financial statements, the following FRS that are relevant to the Group and Company but not yet effective, and have not been adopted early in these financial statements:

		Effective date (annual periods beginning on or after)
FRS 1 (Amendments)	: Disclosure Initiative	1 January 2016
FRS 16 and FRS 38 (Amendments)	: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 27 (Amendments)	: Equity Method in Separate Financial Statements	1 January 2016
FRS 109	: Financial Instruments	1 January 2018
FRS 115	: Revenue from Contracts with Customers	1 January 2017
Improvements to FRSs (January 2014)		
- FRS 16 (Amendments)	: Property, Plant and Equipment	1 July 2014
- FRS 24 (Amendments)	: Related Party Disclosures	1 July 2014
- FRS 38 (Amendments)	: Intangible Assets	1 July 2014
- FRS 102 (Amendments)	: Share Based Payment	1 July 2014
- FRS 108 (Amendments)	: Operating Segments	1 July 2014
Improvements to FRSs (February 2014)		
- FRS 40 (Amendments)	: Investment Property	1 July 2014
- FRS 103 (Amendments)	: Business Combinations	1 July 2014
- FRS 113 (Amendments)	: Fair Value Measurement	1 July 2014
Improvements to FRSs (November 2014)		
- FRS 107 (Amendments)	: Financial Instruments: Disclosures	1 January 2016

Consequential amendments were also made to various standards as a result of the revised standards.

The management anticipates that the adoption of the above FRS in future periods, if applicable, will not have a material impact on the financial statements of the Group and the Company in the period of initial adoption, except as disclosed below:

FRS 109 Financial Instruments

FRS 109 supersedes FRS 39 Financial Instruments: Recognition and Measurement with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of financial statements (Continued)

FRS issued but not yet effective (Continued)

FRS 109 Financial Instruments (Continued)

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments – fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

The Group plans to adopt FRS 109 in the financial year beginning on 1 April 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard, however the Group will be required to reassess the classification and measurement of financial assets, particularly those currently classified as available for sale, and the new impairment requirements are expected to result in changes for impairment provisions on trade receivables and other financial assets not measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of financial statements (Continued)

FRS issued but not yet effective (Continued)

FRS 115 Revenue from Contracts with Customers

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

On initial adoption of this standard there may be a potentially significant impact on the timing and profile of revenue recognition of the Group. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard. The Group plans to adopt the standard in the financial year beginning on 1 April 2017 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation (Continued)

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Investments in subsidiaries in the Company's statement of financial position are carried at cost less any impairment loss that has been recognised in profit or loss.

2.3 Business combinations

The acquisition of subsidiaries and businesses is accounted for using the acquisition method. The consideration of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration also includes the fair value of any contingent consideration. Contingent consideration classified as a financial liability is remeasured subsequently to fair value through profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 Income Taxes and FRS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations (Continued)

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of estimated customer returns, rebates, other similar allowances and sales related taxes.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria for each of the Group's activities are met as follows:

Advertising revenue

Revenue from sales of advertising space in publications is recognised at the date of publication. Receipts in relation to future publications are shown as deferred revenue.

Subscription income

Subscription income is recognised in profit or loss on a straight-line basis over the subscription period. Any remaining subscription receipt is recognised as deferred revenue.

Sales of magazines

Revenue from sale of magazines is recognised upon passage of title to customers which generally coincides with their delivery and acceptance.

Revenue from sale of magazines to agents is recognised at the earlier of receipt of notification of sales by agents and return of unsold magazines.

Sales of exhibition space

Income from exhibition is recognised at the time when services are rendered, which is taken to be the date of exhibition.

Sales of development properties

The Group recognises income on property development projects when the significant risks and rewards of ownership have been transferred to the purchasers. For development projects under progressive payment scheme in Singapore, whereby the legal terms in the sales contracts result in continuous transfer of work-in-progress to the purchasers, revenue is recognised based on the percentage of completion method. Under the percentage of completion method, profit is brought into profit or loss only in respect of sales procured and to the extent that such profit relates to the progress of construction work. The progress of construction work is measured by the proportion of the construction costs incurred to date to the estimated total construction costs for each project. For overseas development projects, the construction revenue will be recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time the development units are delivered to the purchasers.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue recognition (Continued)

Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the relevant lease.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

2.5 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the taxation authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the financial year.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities, except for investment properties at fair value which are presumed to be recovered through sale.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Taxes (Continued)

Deferred tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

Sales tax

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

- when the sales taxation that is incurred on purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

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

2.6 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

2.7 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

On disposal of a foreign operation, the accumulated foreign exchange reserve relating to that operation is reclassified to profit or loss.

Exchange differences which relate to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, are recognized initially in other comprehensive income and accumulated in the Group's foreign exchange reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

2.11 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other costs of servicing are recognised in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Property, plant and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Leasehold buildings	: Over the remaining term of the lease or 50 years, whichever is lower
Renovation	: 5 to 10 years
Furniture & fittings	: 5 to 10 years
Office equipment	: 3 to 7 years
Motor vehicles	: 5 years

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

The estimated useful lives, residual value and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

2.12 Investment properties

The Group has adopted the cost method for measurement of its investment properties.

Investment properties are properties held either to earn rental income or for capital appreciation or for both. They do not include properties for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purpose.

Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses. The cost of investment comprises of directly attributable expenditure includes professional fees for legal services, property transfer taxes and other transaction costs. When investment properties are sold or permanently withdrawn from use and no future economic benefits are expected from its disposal, their costs, accumulated depreciation and accumulated impairment losses are removed from the financial statements. Any gain or loss resulting from their disposals is included in the profit or loss. Gain from sale of investment properties held is recognised upon completion of the sale and purchase agreement.

Depreciation is calculated using a straight-line method to allocate the depreciable amounts of investments properties comprising of leasehold land and buildings over the remaining lease term of the investment properties or 50 years, whichever is lower.

The carrying values are reviewed at the end of each financial year to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds the recoverable amount. The impairment loss is charged to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Intangible assets

Intangible assets represent proprietary rights to publishing titles are initially recognised at cost and subsequently carried at cost less accumulated impairment losses. The useful life of these proprietary rights is estimated to be indefinite. The useful life of the publishing right is expected to be indefinite as management believes there is no foreseeable limit to the period over which the publishing right is expected to generate net cash inflows for the Group.

The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2.14 Club membership

Club membership is initially recognized at cost and subsequently measured at cost less any impairment loss.

2.15 Impairment of non-financial assets excluding goodwill

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.16 Financial instruments

Financial assets and financial liabilities are recognised on the statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Financial instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

All financial assets are recognised on a trade date where the purchase of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Group classifies its financial assets into the following specified categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of these financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL if the financial asset is either held for trading or is designated as such upon initial recognition.

A financial asset is classified as held-for-trading if it has been acquired principally for the purpose of selling in the short term; or if it is part of an identified portfolio of financial instruments with a recent actual pattern of short-term profit-taking and which is managed by the Group; or if it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee contract. The Group has not designated any financial assets as FVTPL upon initial recognition.

FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Loans and receivables

Trade and other receivables, excluding prepayments and non-refundable deposits, and cash and cash equivalents that have fixed or determinable payments that are not quoted in active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost, where applicable, using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets (AFS)

Certain investments held by the Group are classified as AFS if they are not classified in any of the other categories. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised in other comprehensive income and accumulated in the fair value reserve with the exception of impairment losses, interests calculated using the effective interest method and foreign exchange gains and losses. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the fair value reserve is included in profit or loss for the period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment losses directly with the exception of trade receivables where the carrying amounts are reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition, any difference between the carrying amount and the sum of the proceed received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Financial liabilities are classified as other financial liabilities.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Borrowings

Interest-bearing bank loans are initially measured at fair value, and are subsequently measured at amortised cost, where applicable, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy on borrowing costs.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognized in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.17 Development properties

Development properties are properties held or developed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation. Development properties are held as inventories and are measured at the lower of cost and net realisable value.

The Group adopts the percentage of completion method of revenue recognition for residential projects under progressive payment scheme in Singapore. The stage of completion is measured in accordance with its revenue recognition policy stated in Note 2.4.

The cost of properties under development comprise specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification as part of the cost of the development property until the completion of development.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Development properties (Continued)

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid. Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the end of the financial year, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of inventory recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Cost of finished goods is calculated using the first-in-first-out method. Cost of work-in-progress comprising costs of direct materials and labour is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.19 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and short term bank deposits which are subject to insignificant risk of changes in value.

2.20 Leases

When the Group is the lessee

Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

When the Group is the lessor

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which user benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The operating results of all operating segments are reviewed regularly by the Chairman of the Group to make strategic decisions about allocating resources and assessing performance of the operating segments.

2.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The increase in the provision due to the passage of time is recognized in the statement of profit or loss and other comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.23 Contingencies

A contingent liability is:

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

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

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  (ii) the amount of the obligation cannot be measured with sufficient reliability.

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

Contingencies are not recognised on the statements of financial position, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management made judgments, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgments in applying the entity's accounting policies

Management is of the opinion that there is no critical judgment (other than those involving estimates) that has a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Allowance for doubtful receivables

The allowance policy for doubtful receivables of the Group is based on the aging analysis and ongoing evaluation of the recoverability of the outstanding receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the assessment of the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Group's and of the Company's trade and other receivables as at 31 March 2015 were disclosed in Note 15 to the financial statements.

Development properties

In estimating the construction costs for each project, management relied on historical experience, contractual agreements with contractors/suppliers and the work of professionals such as quantity surveyors/architects. Any change in the estimates of the construction costs, variations, omissions or the effect of a change in the estimate of the outcome of a contractual agreement could impact the computation of the percentage of completion and the amount of revenue and expenses recognised in the profit or loss in the period in which the change is made and in subsequent periods. Such changes in the estimates of the construction costs would also have an effect on the determination of provision for foreseeable loss for each project. The carrying amount of the Group's development properties as at 31 March 2015 was disclosed in Note 17 to the financial statements.

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there is objective evidence that the investments in subsidiaries are impaired. The Company evaluates, among other factors, the duration and extent to which the recoverable amount of an investment is less than its costs and the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

Impairment of investments in subsidiaries (Continued)

As at 31 March 2015, the Company carried out a review of the recoverable amount of its investments in subsidiaries. The recoverable amount of the relevant investments in subsidiaries has been determined using the estimated net assets value as at 31 March 2015, which best represented their respective fair value less costs to sell. The carrying amount of the Company's investments in subsidiaries as at 31 March 2015 was disclosed in Note 19 to the financial statements.

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment, using the straight-line method, over their estimated useful lives after taking into account their estimated residual values. The estimated useful life reflects management's estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 March 2015 were disclosed in Note 21 to the financial statements.

Impairment of intangible assets

In determining whether the intangible asset is impaired requires an estimation of the value-in-use of the cash generating units ("CGU") to which the intangible asset has been allocated. The value-in-use calculation required the management to estimate the future cash flows expected to arise from the CGU using a suitable discount rate in order to calculate present value. The carrying amount of the Group's intangible assets as at 31 March 2015 was disclosed in Note 22 to the financial statements.

Provision for income taxes

The Group has exposure to income taxes in countries where it operates. Significant judgment is involved in determining the Group's provision for income taxes. The Group recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. The carrying amounts of the Group's and of the Company's current income tax payable as at 31 March 2015 were $1,498,000 (2014: $1,499,000) and $889,000 (2014: $1,156,000) respectively and the carrying amount of the Group's deferred tax liabilities as at 31 March 2015 was $Nil (2014: $260,000). The Comptroller of Income Tax has raised queries on the basis of management fee income that the Company has received from its subsidiaries and the basis of allocation of charges by the Company to its subsidiaries. Details of this matter are disclosed in Note 29.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

4. REVENUE

	Group	
	2015	2014
	$'000	$'000
Advertising	4,669	5,612
Sales of exhibition space	1,049	1,536
Subscription fees and sales of magazines	154	422
Sales of development properties	9,140	16,249
Rental income	3,153	2,743
	18,165	26,562

5. OTHER INCOME

	Group	
	2015	2014
	$'000	$'000
Administrative service income	30	17
Dividend income	626	484
Fair value gain on financial assets, at fair value through profit or loss (Note 14)	-	6
Foreign exchange gain, net	582	-
Gain on disposal of financial assets, available-for-sale	364	67
Gain on disposal of investment properties	-	19,310
Government grant	41	40
Interest income	330	448
Reversal of write-down of development property	-	3,416
Sundry income from investment properties	40	154
Other income	257	106
	2,270	24,048

6. FINANCE COSTS

	Group	
	2015	2014
	$'000	$'000
Interest expense		
- bank borrowings	18	33

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

7. PROFIT BEFORE INCOME TAX

The following items have been included in arriving at profit before income tax:

	Group	
	2015	2014
	$'000	$'000
Selling and distribution expenses		
Distribution and handling charges	326	347
Administrative and other expenses		
Audit fees		
- Auditors of the Company	102	110
- Other auditors	-	-
Non-audit fees		
- Auditors of the Company	-	-
- Other auditors	-	-
Allowance made for doubtful trade receivables	311	60
Depreciation of investment properties	619	534
Depreciation of property, plant and equipment	471	404
Employee compensation (Note 8)	4,042	4,845
Foreign exchange loss, net	-	110
Impairment loss of financial assets, available-for-sale	199	456
Marketing costs	664	876
Office rental – operating lease	198	184
Property expenses	869	691
Property, plant and equipment written off	-	4

8. EMPLOYEE COMPENSATION

	Group	
	2015	2014
	$'000	$'000
Wages and salaries	3,487	4,213
Other benefits	159	182
Employer's contribution to defined contribution plans including Central Provident Fund	396	450
	4,042	4,845

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

8. EMPLOYEE COMPENSATION (CONTINUED)

The above includes Directors' remuneration as disclosed in Note 31 to the financial statements.

Number of Directors of the Company in the following remuneration bands:

	2015		2014	
	Executive	Non-executive	Executive	Non-executive
$500,000 to $750,000	-	-	1	-
$250,000 to $499,999	1	-	1	-
Below $250,000	2	2	1	2
Total	3	2	3	2

9. INCOME TAX EXPENSE

	Group	
	2015	2014
	$'000	$'000
Current income tax		
- current year	520	397
- under provision in respect of prior years	86	632
	606	1,029
Deferred tax		
- current year	(260)	260
Total income tax expense	346	1,289

In the previous financial year, the under provision of income tax of the Group in respect of prior years of $1,271,000 included an amount of $1,121,000 arising from the additional provision for income tax for the Company for the years of assessment 2010 to 2014 (Note 29). This was set off by reversals of excess provisions for income tax of the subsidiaries of the Group for the years of assessment 2007 to 2014 totaling $475,000 and tax refund of $164,000 received by various subsidiaries during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

9. INCOME TAX EXPENSE (CONTINUED)

The income tax expenses varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2014: 17%) to profit before income tax as a result of the following differences:

	Group	
	2015	2014
	$'000	$'000
Profit before income tax	1,710	24,304
Tax calculated at statutory tax rate of 17%	291	4,132
Tax effect of:		
- expenses not deductible for tax purposes	1,397	369
- income not subject to tax	(1,525)	(3,836)
- deferred tax assets not recognised	371	214
- income tax exemption	(152)	(138)
- tax incentives	(28)	(29)
- corporate tax rebate	(83)	(78)
- tax expenses on foreign income	6	-
- others	(17)	23
Under provision of current income tax in respect of prior years	86	632
	346	1,289

Unrecognised tax losses and capital allowances

At the end of the financial year, the Group had unutilised tax losses of approximately $3,239,000 (2014: $1,259,000) and capital allowances of approximately $202,000 (2014: Nil) which are available for set-off against future taxable profits subject to the agreement by the Inland Revenue Authority of Singapore and compliance with provisions of the Singapore tax legislation. The related deferred tax assets totaling approximately $371,000 (2014: $214,000) have not been recognised in the financial statements as the Group is uncertain on the utilisation of the relevant tax benefits.

10. OTHER COMPREHENSIVE INCOME

	Group					
	2015			2014		
	Before-tax amount $'000	Tax expense $'000	Net-of-tax amount $'000	Before-tax amount $'000	Tax expense $'000	Net-of-tax amount $'000
Financial assets, available-for-sale						
- fair value gain/(loss)	2,307	-	2,307	(402)	-	(402)
- transfer to profit or loss	(165)	-	(165)	389	-	389
Exchange differences on translating foreign operations	67	-	67	(60)	-	(60)
Other comprehensive income	2,209	-	2,209	(73)	-	(73)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

11. EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the net profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2015	2014
Profit attributable to owners of the parent ($'000)	1,364	23,048
Actual number of ordinary shares in issue ('000)	300,000	300,000
Basic earnings per share (cents)	0.45	7.68
Diluted earnings per share (cents)	0.45	7.68

Diluted earnings per share are the same as basic earnings per share as the Company does not have any dilutive potential ordinary shares and issuance of ordinary shares for less than the average market price of the ordinary shares.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Cash and bank balances	5,265	10,695	3,237	7,758
Fixed deposits	3,132	45,933	2,196	43,433
	8,397	56,628	5,433	51,191

Fixed deposits bear interest rates ranging from 0.20% to 3.15% (2014: 0.17% to 1%) per annum and have tenures of 1 to 9 months (2014: 1 to 6 months). The Group's fixed deposits are readily convertible to cash at minimal costs.

Cash and cash equivalents of the Group included amounts totaling $212,000 (2014: $1,129,000), held under the Housing Developers (Project Account) (Amendment) Rule 1997, withdrawals of which were restricted to payments for project expenditure incurred, until the completion of the projects.

13. FINANCIAL ASSETS, AVAILABLE-FOR-SALE

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
At beginning of financial year	10,176	20,719	2,893	20,358
Fair value gain/(loss) recognised in equity	2,154	(390)	726	(219)
Additions	5,063	11,031	834	3,925
Disposals	(6,457)	(21,105)	(2,316)	(21,105)
Transfer to profit or loss	(364)	(67)	(195)	(67)
Exchange difference	153	(12)	29	1
At end of financial year	10,725	10,176	1,971	2,893
Less: Current portion	(1,755)	-	(696)	-
Non-current portion	8,970	10,176	1,275	2,893

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

13. FINANCIAL ASSETS, AVAILABLE-FOR-SALE (CONTINUED)

The above comprise the following:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Listed securities				
- Singapore	5,459	6,828	1,500	2,268
- Hong Kong	2,632	2,638	471	625
- United States of America	1,082	710	-	-
- Shanghai	704	-	-	-
- Indonesia	593	-	-	-
- Malaysia	255	-	-	-
	10,725	10,176	1,971	2,893

During the financial year, the Group and the Company acquired several equity investments which are listed in the Stock Exchanges of Singapore, Hong Kong, United States of America, Shanghai, Indonesia and Malaysia. The objective of these investments is to generate medium to long-term capital appreciation. The fair value of the equity investments traded in active market is determined based on quoted market prices at the end of the financial year and are classified as Level 1 of the fair value hierarchy in accordance to FRS 113.

14. FINANCIAL ASSETS, AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2015	2014
	$'000	$'000
Held for trading		
At beginning of financial year	18	12
Fair value gain	-	6
At end of financial year	18	18

The above comprise investments in listed equity securities in Singapore. The fair value of the equity investments are classified as Level 1 of the fair value hierarchy in accordance to FRS 113.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Trade receivables				
- third parties	5,431	1,533	-	-
Allowance for doubtful receivables	(525)	(214)	-	-
	4,906	1,319	-	-
Other receivables				
- third parties	272	33	3	3
- subsidiaries	-	-	42,462	31,623
	272	33	42,465	31,626
Staff loan	28	57	28	57
Staff advance	3	9	-	-
Accrued revenue	47	-	-	-
Refundable deposits	90	23	32	20
Non-refundable deposits	1,784	624	-	-
Prepayments	54	100	26	71
	7,184	2,165	42,551	31,774

The average credit period given to customers is 7 to 90 days (2014: 7 to 90 days).

The amount due from subsidiaries is unsecured and repayable on demand. Interest is charged at average interest rate of 0.89% (2014: 0.77%) per annum.

Movements in allowance for doubtful trade receivables:

	Group	
	2015	2014
	$'000	$'000
At beginning of financial year	214	158
Allowance made	311	60
Bad trade receivables written off	-	(4)
At end of financial year	525	214

Allowance for doubtful third party trade receivables of $311,000 (2014: $60,000) was recognised in "administrative and other expenses" in the consolidated statement of profit or loss and other comprehensive income subsequent to a debt recovery assessment performed based on the aging analysis and historical payment trend. The trade receivables are individually determined to be impaired and allowance has been made for receivables that are past due for more than 120 days.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

16. INVENTORIES

	Group	
	2015	2014
	$'000	$'000
Magazines for sales	11	49
Work-in-progress	141	202
Others	2	2
	154	253

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $1,455,000 (2014: $1,637,000) in the consolidated statement of profit or loss and other comprehensive income.

17. DEVELOPMENT PROPERTIES

	Group	
	2015	2014
	$'000	$'000
Properties in the course of development:		
Cost incurred	35,541	33,305
Attributable profit	2,260	1,117
	37,801	34,422
Less: Progress billings	(25,389)	(13,669)
	12,412	20,753
Transferred to completed unit, at cost	(12,412)	-
Total properties in the course of development	-	20,753
Completed unit at beginning of financial year, at cost	977	977
Transferred from properties in the course of development	12,412	-
Completed unit at end of financial year at cost	13,389	977
Property for development and resale comprising of land, at cost	274	281
Total development properties	13,663	22,011
Interest capitalised during the financial year	102	92

The finance expenses have been capitalised at interest rates varying from 1.84% to 1.87% (2014: 1.75% to 1.86%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

17. DEVELOPMENT PROPERTIES (CONTINUED)

Movements in write-down of a development property:

	Group	
	2015	2014
	$'000	$'000
At beginning of financial year	-	3,416
Reversal of write-down during the financial year	-	(3,416)
At end of financial year	-	-

In the previous financial year, one of the subsidiaries of the Group commenced construction work on one of the development properties consisting 6 units of semi-detached houses.

Based on the 4 units sold in the previous financial year, management had estimated that the average selling price would be in excess of the total estimated project costs on completion expected in third quarter of the calendar year 2014. Therefore, management had reversed prior year written down cost in the previous financial year.

The cost of inventories recognised as an expense and included in "cost of sales" amounted to $7,707,000 (2014: $14,718,000) in the consolidated statement of profit or loss and other comprehensive income.

Details of properties held for sale at the end of the financial year were as follows:

Locations	Description	Stage of completion	Tenure of land	Floor/land area (sq ft)
No.18 Evelyn Road Singapore	1 Block of 5-storey residential Flats with attic (Unit #05-04)	100%	Freehold	1,672
4th Micro District 17th Khoroo of Bayangol District Mongolia	9-storey residential and commercial building (Unit 9th floor D37, Basement West and East)	100%	Freehold	2,520
No. 81 & 83 Grove Drive Singapore	2 units of semi-detached houses	100%	Estate in perpetuity	5,633
5th Khoroo Bayanzurh District Ulaanbaatar Mongolia	Mixed development	At planning stage	Estate in perpetuity	3,200

Development properties with a carrying value of $10,956,000 (2014: $20,440,000) are mortgaged to financial institutions for bank borrowings granted to the Group as disclosed in Note 24.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

18. CLUB MEMBERSHIP

	Group and Company	
	2015	2014
	$'000	$'000
At cost	75	75
Allowance for impairment losses	(19)	(19)
	56	56

19. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015	2014
	$'000	$'000
At beginning of financial year	9,083	6,071
Acquisition of non-controlling interest in a subsidiary	-	3,012
At end of financial year	9,083	9,083
Allowance for impairment losses	(1,170)	(957)
Net carrying value	7,913	8,126

Movement in allowance for impairment losses:

	Company	
	2015	2014
	$'000	$'000
At beginning of financial year	957	957
Impairment loss recognised in the financial year	213	-
At end of financial year	1,170	957

During the financial year, the Company carried out a review of the recoverable amount of the investment in certain subsidiaries due to the losses reported by these subsidiaries. The review led to the recognition of an impairment loss of $213,000 that has been recognised in profit or loss. The recoverable amount of the investment was determined with reference to the estimated recoverable amount of the net assets of the subsidiaries at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

19. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries

Name of company (Place of business/country of incorporation)	Principal activities	Equity holding 2015 %	Equity holding 2014 %
Held by the Company			
Eastern Trade Media Pte Ltd (Singapore)	Publishing journals, periodicals and magazines	100	100
Eastern Properties Pte Ltd (Singapore)	Investment holding and property management	100	100
Savoy Development Pte Ltd (Singapore)	Property development	100	100
Monterey Pte Ltd (Singapore)	Property investment	100	100
Motherhood Pte Ltd (Singapore)	Publishing magazines, journals and organising of events	100	100
Teens Pte Ltd[1] (Singapore)	Publishing journals, periodicals, magazines and organising events	100	100
Eastern Publishing Pte Ltd (Singapore)	Publishing journals, periodicals, magazines and organising of events	100	100
Eastern Development (ER) Pte Ltd (Singapore)	Property development	100	100
Tras Properties Pte Ltd (Singapore)	Dormant	100	100
Hoy Fatt Pte Ltd (Singapore)	Property investment	100	100
Tras Development Pte Ltd (Singapore)	Dormant	100	100
Bryton Pte Ltd[1] (Singapore)	Dormant	100	100
Zhuhai DMX Property Services Co Ltd[1] (People's Republic of China)	Property management	100	100
EHL Ventures Pte Ltd (Singapore)	Property investment	100	100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

19. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries (Continued)

Name of company (Place of business/country of incorporation)	Principal activities	Equity holding 2015 %	Equity holding 2014 %
Held by the Company			
EHL Capital Pte Ltd[1] (Singapore)	Dormant	100	100
Selfstore Pte Ltd (Singapore)	General warehousing	100	100
EHL LLC[2] (Mongolia)	Real estate investment and development	100	100
Raffles Land LLC[2] (Mongolia)	Property investment and real estate development	100	100
Held by the Hoy Fatt Pte Ltd			
Selfstore (HF) Pte Ltd (Singapore)	General warehousing	100	-
Held by the Monterey Pte Ltd			
Eastern Investment (Labuan) Berhad[1] (Malaysia)	Investment holding	100	-
Held by the Eastern Investment (Labuan) Berhad			
M Holdings Company Limited[1] (Macau)	Real estate and other investments	100	-

All the financial statements of the subsidiaries were audited by BDO LLP, Singapore, except the following:

Notes:
(1) Not required to be audited under the laws of its country of incorporation
(2) Audited by other firm of auditors, Dulguun Khairkhan Uul Audit LLC, Mongolia

Incorporation of subsidiaries

On 12 May 2014, the Company's wholly owned subsidiary, Monterey Pte Ltd, incorporated Eastern Investment (Labuan) Berhad in Malaysia with an issued and paid-up share capital of $1 (equivalent of 1 Australian Dollar) comprising one ordinary share.

On 26 May 2014, the Company's wholly owned subsidiary, Hoy Fatt Pte Ltd, incorporated Selfstore (HF) Pte. Ltd in Singapore, with an issued and paid-up share capital of $1 comprising one share.

On 5 September 2014, the Company's wholly-owned subsidiary, Eastern Investment (Labuan) Berhad, incorporated a wholly-owned subsidiary, M Holdings Company Limited in Macau Special Administrative Region, with an issued and paid-up share capital of $3,898 (equivalent of 25,000 Macanese Pataca).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

19. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Acquisition of non-controlling interest

In the previous financial year, the Company acquired non-controlling interest in a subsidiary, Hoy Fatt Pte Ltd. The following showed the effect of changes in the Group's ownership interest in a subsidiary that did not result in change of control, on equity attributable to owners of the parent:

	Group 2014 $'000
Amounts paid on changes in ownership interest in subsidiary	3,012
Non-controlling interest acquired	465
Difference recognised in equity reserve	3,477

As at the end of the financial year, the Company had also given undertakings to certain subsidiaries to provide continued financial support to these subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for the ensuing twelve months from the end of the financial year.

20. INVESTMENT PROPERTIES

	Leasehold Land	Leasehold Buildings	Total
	$'000	$'000	$'000
Group			
2015			
Cost			
At beginning of financial year	6,200	15,355	21,555
Transferred from property, plant and equipment (Note 21)	-	119	119
Transferred to property, plant and equipment (Note 21)	-	(6)	(6)
At end of financial year	6,200	15,468	21,668
Accumulated depreciation			
At beginning of financial year	628	2,552	3,180
Depreciation charge	129	490	619
Transferred from property, plant and equipment (Note 21)	-	5	5
At end of financial year	757	3,047	3,804
Carrying value			
At end of financial year	5,443	12,421	17,864

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

20. INVESTMENT PROPERTIES (CONTINUED)

	Leasehold Land	Leasehold Buildings	Total
	$'000	$'000	$'000
Group			
2014			
Cost			
At beginning of financial year	6,200	13,139	19,339
Additions	-	2,703	2,703
Disposals	-	(487)	(487)
At end of financial year	6,200	15,355	21,555
Accumulated depreciation			
At beginning of financial year	499	2,177	2,676
Depreciation charge	129	405	534
Disposals	-	(30)	(30)
At end of financial year	628	2,552	3,180
Carrying value			
At end of financial year	5,572	12,803	18,375

	Leasehold Buildings	
	2015	2014
	$'000	$'000
Company		
Cost		
At beginning and end of financial year	4,131	4,131
Transferred from property, plant and equipment (Note 21)	119	-
At end of financial year	4,250	4,131
Accumulated depreciation		
At beginning of financial year	1,687	1,528
Depreciation charge	159	159
Transferred from property, plant and equipment (Note 21)	5	-
At end of financial year	1,851	1,687
Carrying value		
At end of financial year	2,399	2,444

Investment properties are leased to third parties under operating leases (Note 30).

Certain investment properties of the Group and of the Company with a net carrying value of $2,399,000 (2014: $2,444,000) and $2,399,000 (2014: $2,444,000) respectively, are mortgaged to banks for bank borrowings granted to the Group and the Company (Note 24).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

20. INVESTMENT PROPERTIES (CONTINUED)

The following amounts are recognised in profit or loss:

	Group	
	2015	2014
	$'000	$'000
Rental income	3,155	2,743
Direct operating expenses arising from investment properties that generated rental income	(488)	(438)
Direct operating expenses arising from investment properties that did not generate rental income	-	(16)

The fair value of the investment properties disclosed in the financial statements are based on valuations carried out by a management expert, who has experience in the location and category of the properties being valued. In the previous financial year, the valuations were carried out by independent professional valuers. The valuations were arrived at by reference to market evidence of transacted prices per square metre in the open market for comparable properties with adjustments made to unobservable inputs such as location, size, amenities and lease terms etc. The valuations are based on the assets' highest and best use, which is in line with their actual use.

As at 31 March 2015, the fair value measurements of the Group's investment properties are classified within Level 3 of the fair value hierarchy. Details of valuation techniques used in the fair value measurement as at 31 March 2015 were as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

20. INVESTMENT PROPERTIES (CONTINUED)

Details of investment properties held by the Group:

	Description and location	Description and existing use	Tenure	Land area (sq m)	Fair value		Carrying value		Valuation Methodology
					2015	2014	2015	2014	
					$'000	$'000	$'000	$'000	
1.	1100 Lower Delta Road, Singapore	4-storey factory for publishing	60 years from 1 August 1969	4,515	16,000	18,000	2,399	2,444	Direct Comparison Method
2.	12 Hoy Fatt Road Singapore	6-storey light industrial factory	99 years from 1 January 1958	2,110	25,000	26,000	12,983	13,297	Direct Comparison Method
3.	713 Clementi West Street 2, #01-115 Singapore	Coffeeshop with 2nd upper level residential area	30 years from 1 August 2001	379	2,670	3,000	2,482	2,634	Direct Comparison Method
					43,670	47,000	17,864	18,375	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

21. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings	Renovation	Furniture & fittings	Office equipment	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
2015						
Cost						
At beginning of financial year	2,363	144	706	420	855	4,488
Additions	-	42	341	101	-	484
Transferred to investment properties (Note 20)	(119)	-	-	-	-	(119)
Transferred from investment properties (Note 20)	-	-	6	-	-	6
At end of financial year	2,244	186	1,053	521	855	4,859
Accumulated depreciation						
At beginning of financial year	752	88	433	323	649	2,245
Depreciation charge	105	34	193	68	71	471
Transferred to investment properties (Note 20)	(5)	-	-	-	-	(5)
At end of financial year	852	122	626	391	720	2,711
Carrying value						
At end of financial year	1,392	64	427	130	135	2,148
2014						
Cost						
At beginning of financial year	2,355	132	713	383	855	4,438
Additions	8	12	13	39	-	72
Disposals	-	-	(13)	-	-	(13)
Written off	-	-	(7)	(2)	-	(9)
At end of financial year	2,363	144	706	420	855	4,488
Accumulated depreciation						
At beginning of financial year	647	59	312	267	574	1,859
Depreciation charge	105	29	138	57	75	404
Disposals	-	-	(13)	-	-	(13)
Written off	-	-	(4)	(1)	-	(5)
At end of financial year	752	88	433	323	649	2,245
Carrying value						
At end of financial year	1,611	56	273	97	206	2,243

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold buildings	Renovation	Furniture & fittings	Office equipment	Motor vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Company						
2015						
Cost						
At beginning of financial year	2,363	144	274	300	814	3,895
Additions	-	10	-	12	-	22
Transferred to investment properties (Note 20)	(119)	-	-	-	-	(119)
At end of financial year	2,244	154	274	312	814	3,798
Accumulated depreciation						
At beginning of financial year	752	88	187	260	613	1,900
Depreciation charge	105	30	51	28	67	281
Transferred to investment properties (Note 20)	(5)	-	-	-	-	(5)
At end of financial year	852	118	238	288	680	2,176
Carrying value						
At end of financial year	1,392	36	36	24	134	1,622
2014						
Cost						
At beginning of financial year	2,355	132	274	279	814	3,854
Additions	8	12	-	21	-	41
At end of financial year	2,363	144	274	300	814	3,895
Accumulated depreciation						
At beginning of financial year	647	59	137	226	546	1,615
Depreciation charge	105	29	50	34	67	285
At end of financial year	752	88	187	260	613	1,900
Carrying value						
At end of financial year	1,611	56	87	40	201	1,995

Bank borrowings are secured on property, plant and equipment of the Group and the Company with carrying amount of $1,392,000 (2014: $1,611,000) (Note 24).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

21. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Details of property held by the Group and the Company are as follows:

Location	Description and existing use	Tenure	Land area (sq m)	Group and Company Carrying value	
				2015	2014
				$'000	$'000
1100 Lower Delta Road, Singapore	4-storey factory for publishing	60 years from 1 August 1969	4,515	1,392	1,611

22. INTANGIBLE ASSETS

	Publishing titles	
	2015	2014
	$'000	$'000
Group		
Cost		
At beginning and end of financial year	1,389	1,389
Accumulated impairment losses		
At beginning and end of financial year	28	28
Carrying value		
At end of financial year	1,361	1,361

At the end of each financial year, the management will assess the recoverable amount of the Group's intangible assets to determine whether there is any indication of impairment.

Impairment test for intangible assets

Intangible assets have been allocated to the cash-generating units ("CGU") identified according to the specific publishing title for the purpose of annual impairment test.

The recoverable amounts of the CGU are determined based on value-in-use calculations. These calculations use cash flow projections based on the financial forecasts approved by the management covering a five-year period using the estimated growth rates stated below. The cash flow projections are estimated by reference to the past performance and expectations of future publications and other economic factors in general.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

22. INTANGIBLE ASSETS (CONTINUED)

Impairment test for intangible assets (Continued)

Key assumptions used for value-in-use calculations:

	Publishing titles	
	2015	2014
Growth rates	1%	1%
Pre-tax discount rate	5.20%	5.80%

The growth rates are based on historical growth and past experience. The pre-tax discount rates reflect the current market assessment of the risks specific to the CGU. This is the benchmark used by management to assess operating performance.

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Trade payables				
- third parties	267	169	-	-
Other payables				
- third parties	648	479	608	52
- subsidiaries	-	-	39,381	40,717
Deferred income	352	1,010	-	-
Deposits received from customers and tenants	848	3,539	50	130
Accrued operating expenses	678	1,561	238	318
	2,793	6,758	40,277	41,217

Trade payables to third parties are generally settled within 30 to 120 days (2014: 30 to 120 days).

The amount due to subsidiaries is unsecured, repayable on demand and bear interest at 0.89% (2014: 0.77%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

24. BORROWINGS

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current				
Bank borrowings – secured	171	10,401	171	171
Non-current				
Bank borrowings – secured	824	995	824	995
Total borrowings	995	11,396	995	1,166

Bank borrowings of $995,000 (2014: $11,396,000) and $995,000 (2014: $1,166,000) for the Group and for the Company respectively are secured on the following assets:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Development properties (Note 17)	10,956	20,440	-	-
Investment properties (Note 20)	2,399	2,444	2,399	2,444
Property, plant and equipment (Note 21)	1,392	1,611	1,392	1,611
	14,747	24,495	3,791	4,055

The bank borrowings bear interest at varying rates ranging from 1.63% to 2.01% (2014: 1.60% to 1.88%) per annum.

The carrying amount of non-current borrowings approximates their fair values due to frequent re-pricing.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

25. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax authority. The amounts, determined after appropriate offsetting, are shown on the statement of financial position.

Movement in deferred liabilities comprising temporary difference on development property are as follows:

	Group	
	2015	2014
	$'000	$'000
At beginning of financial year	260	-
(Credit)/charge to profit or loss	(260)	260
At end of financial year	-	260

26. SHARE CAPITAL

	Group and Company	
	Number of ordinary shares ('000)	$'000
Issued and fully paid		
2015		
At beginning and end of financial year	300,000	13,942
2014		
At beginning and end of financial year	300,000	13,942

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

27. OTHER RESERVES

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Comprising:				
Fair value reserve	1,958	(184)	629	17
Foreign currency translation reserve	(139)	(206)	-	-
Equity reserve	(3,477)	(3,477)	-	-
	(1,658)	(3,867)	629	17
Fair value reserve				
At beginning of financial year	(184)	(171)	17	161
Fair value gain/(loss)	2,307	(402)	755	(218)
Transfer to profit or loss	(165)	389	(143)	74
	2,142	(13)	612	(144)
At end of financial year	1,958	(184)	629	17
Foreign currency translation reserve				
At beginning of financial year	(206)	(146)	-	-
Net effect of translating foreign operations	67	(60)	-	-
At end of financial year	(139)	(206)	-	-
Equity reserve				
At beginning of financial year	(3,477)	-	-	-
Additional consideration on purchase of non-controlling interest	-	(3,477)	-	-
At end of financial year	(3,477)	(3,477)	-	-

Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets.

Foreign currency translation reserve

Foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as exchange differences on monetary items forming part of net investment in foreign operations.

Equity reserve

Equity reserve is used to record the difference between the purchase consideration and the non-controlling interest up to the date of acquisition of the remaining interest in a subsidiary without a change in control (Note 19).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

28. DIVIDENDS

	Group and Company	
	2015	2014
	$'000	$'000
Final tax-exempt dividend paid in respect of the previous financial year of 0.5 cents (2014: Nil) per ordinary share	1,500	-
Special tax-exempt dividend paid in respect of the previous financial year of 13 cents (2014: Nil) per ordinary share	39,000	-
	40,500	-

29. CONTINGENT LIABILITIES

Income tax

In the prior year, the Comptroller of Income Tax ("CIT") had raised queries on the Company's basis of determining management fee income and reasons for incurring tax losses as a service provider for the years of assessment ("YA") 2008 to 2011. Due to the statute of limitation to raise additional tax assessment, the CIT accepted the Company's computation for YA 2008 on a without prejudice basis; but assessed the Company as a cost plus service company and subject a deemed 5% service income and other passive sourced investment income to tax for YA 2009. This resulted in additional income tax of $246,000 for YA 2009 which the Company has paid.

During the financial year ended 31 March 2015, the CIT has accepted the YA 2010 on a without prejudice basis subsequent to certain revisions on the basis of allocation of shared costs was made by the Company as requested by the CIT. The Company has paid the income tax charge of $257,000 assessed on YA 2010. The CIT also indicated that the basis of allocation of shared costs applied to YA 2010 shall be acceptable for YA 2011 to YA 2014. The Company has therefore submitted the revised tax computations for YA 2011 to YA 2014 and has recognised the additional provision for income tax payable for these years of assessment as at 31 March 2015.

Subject to the finalisation of the Company's revised tax computation submitted for YA 2011 to YA 2014 by the CIT, management estimates that any additional tax provisions required to be made by the Company is not likely to be material.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

30. COMMITMENTS

30.1 Operating lease commitments

As lessor

The Group and the Company lease out office building to third parties and a subsidiary under non-cancellable operating leases.

At the end of the financial year, the future minimum lease receivables under non-cancellable operating leases contracted for but not recognised as receivables were as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Within one year	1,683	2,098	1,518	901
Within two and five years	100	725	217	360
	1,783	2,823	1,735	1,261

The Group and Company has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of between 1 and 3 years (2014: 1 and 3 years) with renewal options. There were no arrangements entered for contingent rent payments.

As lessee

At the end of the financial year, the future minimum lease payable under non-cancellable operating leases contracted for but not recognised as liabilities were as follows:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Within one year	189	199	189	190
Within two and five years	758	765	758	758
After five years	1,769	1,958	1,769	1,958
	2,716	2,922	2,716	2,906

Operating lease payments represent rents payable by the Group and the Company for office premises. Leases are negotiated for term of 26 years with no renewal option, which include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. There were no arrangements entered for contingent rent payments.

30.2 Commitments

In the current financial year, one of the subsidiaries of the Group entered into an option to purchase ("OTP") six residential units in Hengqin, People's Republic of China for a total consideration of $5,495,000 (RMB 24,475,000). As at 31 March 2015, the subsidiary has paid a deposit sum of $1,099,000 (RMB 4,895,000), representing 20% of the purchase consideration for the six residential units. The amount payable in the next 12 months is $3,297,000 (RMB 14,685,000) and the balance to be settled upon completion of the development project amounts to $1,099,000 (RMB 4,895,000) which is estimated to be in 2017.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:
  (i) Has control or joint control over the Company;
  (ii) Has significant influence over the Company; or
  (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

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

During the financial year, in addition to the related party information disclosed elsewhere in the financial statements, the Group entities and the Company entered into the following transactions with related parties at rates and terms agreed between the parties:

	Company	
	2015	2014
	$'000	$'000
(a) Significant related party transactions		
With subsidiaries		
Receipt on behalf of subsidiaries	490	1,774
Payment on behalf of subsidiaries	11,336	4,429
Management fee charged to subsidiaries	8,057	3,985
Management fee paid to subsidiaries	2,115	153
Interest received from subsidiaries	268	211
Interest paid to subsidiaries	387	300
With related parties		
Consultancy fees paid to director of Ultimate Holding Company	320	-
Management fee charged to related parties	16	15

	Group	
	2015	2014
	$'000	$'000
(b) Key management personnel compensation		
Short-term benefits	808	1,246
Post-employment benefits	40	60
	848	1,306

Included in key management personnel compensation are Directors' remuneration paid to Directors of the Company amounting to $726,000 (2014: $1,027,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

32.1 Financial Instruments

The following sets out the financial instruments carried at amortised cost as at the end of the financial year:

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Financial assets				
Trade and other receivables (excluding prepayments and non-refundable deposits)	5,346	1,441	42,525	31,703
Cash and cash equivalents	8,397	56,628	5,433	51,191
Total loans and receivables	13,743	58,069	47,958	82,894
Financial liabilities				
Borrowings	995	11,396	995	1,166
Trade and other payables (excluding deferred income)	2,441	5,748	40,277	41,217
Total financial liabilities carried at amortised cost	3,436	17,144	41,272	42,383

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

32.2 Market risk

Currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the Singapore dollar. The currencies giving rise to this risk are primarily the United States dollar ("USD"), Hong Kong dollar ("HKD"), Chinese Renminbi ("RMB"), Mongolia Tugrik ("MNT"), Great British Pound ("GBP"), Malaysian Ringgit ("MYR") and Indonesian Rupiah ("IDR").

The Group is also exposed to currency translation risk on the net assets in foreign operations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (Continued)

Currency risk (Continued)

At the end of the financial year, the carrying value of financial assets and liabilities were denominated in the following currencies.

	SGD	USD	HKD	RMB	MNT	GBP	MYR	IDR	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group										
2015										
Financial assets										
Cash and cash equivalents, financial assets, at fair value through profit or loss and available-for-sale	6,452	5,591	3,483	1,857	119	538	496	593	11	19,140
Trade and other receivables, excluding prepayments and non-refundable deposits	4,982	278	-	55	-	-	-	-	31	5,346
	11,434	5,869	3,483	1,912	119	538	496	593	42	24,486
Financial liabilities										
Borrowings	(995)	-	-	-	-	-	-	-	-	(995)
Trade and other payables, excluding deferred income	(2,441)	-	-	-	-	-	-	-	-	(2,441)
	(3,436)	-	-	-	-	-	-	-	-	(3,436)
Net financial assets	7,998	5,869	3,483	1,912	119	538	496	593	42	21,050
Less:										
Net financial liabilities denominated in the respective functional currencies	(7,998)	-	-	-	-	-	-	-	-	(7,998)
Add:										
Net non-financial assets of foreign subsidiaries	-	-	-	-	446	-	-	-	-	446
Currency exposure	-	5,869	3,483	1,912	565	538	496	593	42	13,498

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (Continued)

Currency risk (Continued)

	SGD	USD	HKD	RMB	MNT	GBP	MYR	IDR	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group										
2014										
Financial assets										
Cash and cash equivalents, financial assets, at fair value through profit or loss and available-for-sale	59,094	4,830	2,036	708	131	1	-	-	22	66,822
Trade and other receivables, excluding prepayments and non-refundable deposits	1,128	227	-	47	-	-	4	-	35	1,441
	60,222	5,057	2,036	755	131	1	4	-	57	68,263
Financial liabilities										
Borrowings	(11,396)	-	-	-	-	-	-	-	-	(11,396)
Trade and other payables, excluding deferred income	(5,742)	-	-	(6)	-	-	-	-	-	(5,748)
	(17,138)	-	-	(6)	-	-	-	-	-	(17,144)
Net financial assets	43,084	5,057	2,036	749	131	1	4	-	57	51,119
Less:										
Net financial assets denominated in the respective functional currencies	(43,084)	-	-	-	-	-	-	-	-	(43,084)
Add:										
Net non-financial assets of foreign subsidiaries	-	-	-	-	453	-	-	-	-	453
Currency exposure	-	5,057	2,036	749	584	1	4	-	57	8,488

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (Continued)

Currency risk (Continued)

	SGD	USD	GBP	HKD	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Company						
2015						
Financial assets						
Cash and cash equivalents, financial assets, at fair value through profit or loss and available-for-sale	1,821	4,317	538	494	252	7,422
Trade and other receivables, excluding prepayments and non-refundable deposits	42,525	-	-	-	-	42,525
	44,346	4,317	538	494	252	49,947
Financial liabilities						
Borrowings	(995)	-	-	-	-	(995)
Trade and other payables	(40,277)	-	-	-	-	(40,277)
	(41,272)	-	-	-	-	(41,272)
Net financial assets	3,074	4,317	538	494	252	8,675
Less:						
Net financial assets denominated in the respective functional currencies	(3,074)	-	-	-	-	(3,074)
Currency exposure	-	4,317	538	494	252	5,601

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (Continued)

Currency risk (Continued)

	SGD	USD	GBP	HKD	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Company						
2014						
Financial assets						
Cash and cash equivalents, financial assets, at fair value through profit or loss and available-for-sale	49,757	3,679	1	-	665	54,102
Trade and other receivables, excluding prepayments and non-refundable deposits	31,703	-	-	-	-	31,703
	81,460	3,679	1	-	665	85,805
Financial liabilities						
Borrowings	(1,166)	-	-	-	-	(1,166)
Trade and other payables	(41,217)	-	-	-	-	(41,217)
	(42,383)	-	-	-	-	(42,383)
Net financial assets	39,077	3,679	1	-	665	43,422
Less:						
Net financial assets denominated in the respective functional currencies	(39,077)	-	-	-	-	(39,077)
Currency exposure	-	3,679	1	-	665	4,345

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (Continued)

Currency risk (Continued)

If the above foreign currencies were strengthen or weaken against the SGD by 3% (2014: 3%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

	2015		2014	
	Increase/(Decrease)			
	Net Profit	Equity	Net Profit	Equity
	$'000	$'000	$'000	$'000
Group				
USD against SGD				
- strengthened	144	176	130	151
- weakened	(144)	(176)	(130)	(151)
HKD against SGD				
- strengthened	26	104	1	61
- weakened	(26)	(104)	(1)	(61)
RMB against SGD				
- strengthened	36	57	4	22
- weakened	(36)	(57)	(4)	(22)
MNT against SGD				
- strengthened	17	17	18	18
- weakened	(17)	(17)	(18)	(18)
GBP against SGD				
- strengthened	16	16	-	-
- weakened	(16)	(16)	-	-
MYR against SGD				
- strengthened	7	15	-	-
- weakened	(7)	(15)	-	-
IDR against SGD				
- strengthened	-	18	-	-
- weakened	-	(18)	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (Continued)

Currency risk (Continued)

	2015		2014	
	Increase/(Decrease)			
	Net Profit	Equity	Net Profit	Equity
	$'000	$'000	$'000	$'000
Company				
USD against SGD				
- strengthened	130	130	110	110
- weakened	(130)	(130)	(110)	(110)
GBP against SGD				
- strengthened	16	16	-	-
- weakened	(16)	(16)	-	-
HKD against SGD				
- strengthened	1	15	-	-
- weakened	(1)	(15)	-	-

Interest rate risks

The Group's exposure to market risk for changes in interest rates relate primarily to interest-earning fixed deposits and interest-bearing debt obligations with financial institutions.

The Group's fixed deposits are placed at prevailing interest rates.

The Group's exposure to interest rate risks arises mainly from variable-rate borrowings. The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long term and short term borrowings.

The Group's borrowings at variable rates are denominated in SGD. If the SGD interest rates increase/decrease by 30 basis points (2014: 30 basis points) with all other variables including tax rate being held constant, the Group's profit after tax will decrease/increase by $5,000 (2014: $62,000) as a result of higher/lower interest expense on these borrowings.

Price risk

The Group and the Company are exposed to equity securities price risk arising from the investments held by the Group which are classified as financial assets at available-for-sale or at fair value through profit or loss. These securities are quoted in the Singapore Stock Exchange. To manage the price risk, the Group and the Company monitor share price on daily basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (Continued)

Price risk (Continued)

If prices for equity securities listed in Singapore, Hong Kong, United States of America, Malaysia, Indonesia and Shanghai change by 5% (2014: 5%) with all variables including tax rate being held constant, the effects on profit after tax and equity will be:

	2015		2014	
	Increase/(Decrease)			
	Net Profit	Other Comprehensive Income	Net Profit	Other Comprehensive Income
	$'000	$'000	$'000	$'000
Group				
Listed in Singapore				
- increased by	1	273	1	341
- decreased by	(1)	(273)	(1)	(341)
Listed in Hong Kong				
- increased by	-	132	-	132
- decreased by	-	(132)	-	(132)
Listed in United States of America				
- increased by	-	54	-	36
- decreased by	-	(54)	-	(36)
Listed in Shanghai				
- increased by	-	35	-	-
- decreased by	-	(35)	-	-
Listed in Indonesia				
- increased by	-	30	-	-
- decreased by	-	(30)	-	-
Listed in Malaysia				
- increased by	-	13	-	-
- decreased by	-	(13)	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

32.2 Market risk (Continued)

Price risk (Continued)

If prices for equity securities listed in Singapore and Hong Kong change by 5% (2014: 5%) with all variables including tax rate being held constant, the effects on profit after tax and equity will be:

	2015		2014	
	Increase/(Decrease)			
	Net Profit	Other Comprehensive Income	Net Profit	Other Comprehensive Income
	$'000	$'000	$'000	$'000
Company				
Listed in Singapore				
- increased by	1	75	1	113
- decreased by	(1)	(75)	(1)	(113)
Listed in Hong Kong				
- increased by	-	24	-	31
- decreased by	-	(24)	-	(31)

32.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and financial assets. The Group's major classes of financial assets are cash and cash equivalents and trade and other receivables.

The Group has procedures in place to manage credit risk and exposure to such risk is monitored on an ongoing basis. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. This allowance is a specific loss component that relates to individually significant exposures. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written-off against the carrying amount of the impaired financial assets.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics. The Group's carrying value of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk.

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

32.3 Credit risk

Financial assets that are past due but not impaired (Continued)

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2015	2014
	$'000	$'000
Past due 1 to 3 months	233	466
Past due 3 to 6 months	78	165
Past due over 6 months	197	4
	508	635

32.4 Liquidity risk

The Group and the Company manage the liquidity risk by maintaining sufficient cash and cash equivalents to enable them to meet their normal operating commitments and having adequate amount of committed credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding to ensure that all refinancing, repayment and funding needs are met.

The following table analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows. The table includes both interest and principal cash flows.

	Effective interest rate	Less than 1 year	Between 2 and 5 years	More than 5 years	Total
	%	$'000	$'000	$'000	$'000
Group					
At 31 March 2015					
Trade and other payables, excluding deferred income	-	2,441	-	-	2,441
Borrowings	1.79	174	733	142	1,049
		2,615	733	142	3,490
At 31 March 2014					
Trade and other payables, excluding deferred income	-	5,748	-	-	5,748
Borrowings	1.75	10,590	730	334	11,654
		16,338	730	334	17,402

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

32.4 Liquidity risk (Continued)

At the end of the financial year, the Company had contingent liabilities in respect of guarantees given to banks by the Company on behalf of subsidiaries for banking facilities granted amounting to $42,992,000 (2014: $42,992,000) of which $2,354,000 (2014: $10,230,000) was utilised.

These guarantees are financial guarantee contract as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of the facilities drawn. At the end of the financial year, these financial guarantees have not been recognised in the financial statements of the Company as the requirements to reimburse the banks are remote.

The earliest period that the guarantee could be called is within 1 year (2014: 1 year) from the end of the reporting period. The maximum amount that the Group could be required to settle under the financial guarantee contract if the full guaranteed amount is claimed by the counterparty to the guarantee is $2,354,000 (2014: $10,230,000).

	Effective interest rate	Less than 1 year	Between 2 and 5 years	More than 5 years	Total
	%	$'000	$'000	$'000	$'000
Company					
At 31 March 2015					
Trade and other payables	0.89	40,627	-	-	40,627
Borrowings	1.79	174	733	142	1,049
		40,801	733	142	41,676
At 31 March 2014					
Trade and other payables	0.77	41,531	-	-	41,531
Borrowings	1.75	174	730	334	1,238
		41,705	730	334	42,769

The interest rates and terms of repayment are disclosed in Notes 23 and 24.

At the end of the financial year, the Company had contingent liabilities in respect of guarantees given to banks by the Company on behalf of subsidiaries for banking facilities granted amounting to $22,143,000 (2014: $42,992,000) of which $2,354,000 (2014: $10,230,000) was utilised.

These guarantees are financial guarantee contract as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of the facilities drawn. At the end of the financial year, these financial guarantees have not been recognised in the financial statements of the Company as the requirements to reimburse the banks are remote.

The earliest period that the guarantee could be called is within 1 year (2014: 1 year) from the end of the reporting period. The maximum amount that the Group could be required to settle under the financial guarantee contract if the full guaranteed amount is claimed by the counterparty to the guarantee is $2,354,000 (2014: $10,230,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

32.5 Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are determined using the other observable inputs such as quoted prices for similar asset/liability in active markets, quoted prices for identical or similar asset/liability in non-active markets or inputs other than quoted prices that are observable for the asset or liability;
- Level 3 – Unobservable inputs for the asset or liability.

(b) Financial assets and liabilities measured at fair value

Management considers that the carrying amounts of cash and cash equivalents, current trade and other receivables (excluding prepayments), current trade and other payables (excluding deferred income) and current bank borrowings, based on their notional amounts, approximate their fair values due to their relative short term maturity. The fair value of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The following table shows an analysis of assets and liabilities measured at fair value at the end of the financial year:

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Group				
As at 31 March 2015				
Financial assets				
Available-for-sale	10,725	-	-	10,725
Fair value through profit or loss	18	-	-	18
	10,743	-	-	10,743
As at 31 March 2014				
Financial assets				
Available-for-sale	10,176	-	-	10,176
Fair value through profit or loss	18	-	-	18
	10,194	-	-	10,194
Company				
As at 31 March 2015				
Financial assets				
Available-for-sale	1,971	-	-	1,971
Fair value through profit or loss	18	-	-	18
	1,989	-	-	1,989
As at 31 March 2014				
Financial assets				
Available-for-sale	2,893	-	-	2,893
Fair value through profit or loss	18	-	-	18
	2,911	-	-	2,911

During the financial year, there were no transfers between instruments in Level 1, Level 2 and Level 3.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

32. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

32.5 Fair value of assets and liabilities (Continued)

(c) Assets not carried at fair value but which fair values are disclosed:

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Group				
As at 31 March 2015				
Non-Financial assets				
Investment properties	-	-	43,670	43,670
As at 31 March 2014				
Non-Financial assets				
Investment properties	-	-	47,000	47,000
Company				
As at 31 March 2015				
Non-Financial assets				
Investment properties	-	-	16,000	16,000
As at 31 March 2014				
Non-Financial assets				
Investment properties	-	-	18,000	18,000

The basis of determining fair value of the investment properties for disclosure at the end of the financial year is disclosed in Note 20.

33. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value and to comply with externally imposed capital requirement (if any).

The Group's management reviews the capital structure on an annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through issue of new shares as well as to obtain new borrowings or sell assets to increase the working capital. The Group's overall strategy remains unchanged from financial year ended 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

33. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Net debt	(4,609)	(38,474)	35,839	(8,808)
Total equity	56,446	93,373	19,802	54,958
Total capital	51,837	54,899	55,641	46,150
Gearing ratio	N/M	N/M	0.64	N/M

N/M – Not meaningful as net debt is in negative position indicating that cash and cash equivalents are greater than the total of borrowings and trade and other payables.

The Group and the Company do not have externally imposed capital requirements for the financial year ended 31 March 2015 and 31 March 2014.

34. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Board of Directors (comprising of Executive and Non-Executive Directors) consider the business from both geographic and business segment perspective. Geographically, management manages and monitors the business in the primary geographic areas: Singapore, Thailand, United States of America, People's Republic of China, Malaysia and Indonesia.

The Group has two reportable segments being publishing and property segments.

The publishing segment derives revenue from sale of advertising space in publications, subscription of magazines, sales of magazines and exhibition space to third parties.

The properties segment generates revenue from rental income derived from investment properties and sales of development properties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

34. SEGMENT INFORMATION (CONTINUED)

Segment information is presented in respect of the Group's business and geographical segments. The primary format of business segments is based on the Group's management and internal reporting structure.

Management monitors the operating results of the segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operation profit or loss which is similar to the accounting profit or loss.

Income taxes are managed by the management of respective entities within the Group.

The accounting policies of the operating segments are the same of those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operation before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group accounts for intersegment sales and transfer as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total costs incurred during the financial year to acquire segment assets that are expected to be used for more than one financial year. The segment information provided to the Board of Directors for the reportable segments for the financial year ended 31 March 2015 is as follows:

	Publishing	Properties	Total operations	Eliminations and adjustments	Total
	$'000	$'000	$'000	$'000	$'000
2015					
Revenue					
Sales to customers	5,872	13,136	19,008	(843)	18,165
Other Income	2,430	9,105	11,535	(9,265)	2,270
Profit from operations	2,459	382	2,841	(1,443)	1,398
Interest income	-	330	330	-	330
Interest expenses	(14)	(586)	(600)	582	(18)
Profit before income tax	2,445	126	2,571	(861)	1,710
Income tax expense	(218)	(149)	(367)	21	(346)
Profit/(loss) for the financial year	2,227	(23)	2,204	(840)	1,364
Segment assets					
Investment properties	-	17,935	17,935	(71)	17,864
Intangible assets	1,361	-	1,361	-	1,361
Development properties	-	14,144	14,144	(481)	13,663
Property, plant and equipment	65	2,083	2,148	-	2,148
Financial assets, available-for-sale	-	10,725	10,725	-	10,725
Trade and other receivables	998	6,288	7,286	(102)	7,184
Cash and cash equivalents	324	8,073	8,397	-	8,397
Others	227	163	390	-	390
Total assets					61,732

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

34. SEGMENT INFORMATION (CONTINUED)

	Publishing	Properties	Total operations	Eliminations and adjustments	Total
	$'000	$'000	$'000	$'000	$'000
2015					
Segment liabilities					
Trade and other payables	526	2,368	2,894	(101)	2,793
Borrowings	-	995	995	-	995
Current income tax payable	264	1,186	1,450	48	1,498
Total liabilities					5,286
Capital expenditure					
- Property, plant and equipment	36	448	484	-	484
Depreciation					
- Investment properties	-	621	621	(2)	619
- Property, plant and equipment	32	439	471	-	471
Impairment loss of financial assets, available-for-sale	-	199	199	-	199
2014					
Revenue					
Sales to customers	7,570	19,663	27,233	(671)	26,562
Other Income	171	28,448	28,619	(4,571)	24,048
Profit from operations	176	26,375	26,551	(2,629)	23,922
Interest income	-	450	450	(2)	448
Interest expenses	-	(33)	(33)	-	(33)
Profit before income tax	176	26,792	26,968	(2,631)	24,337
Income tax expense	(1)	(1,217)	(1,218)	(71)	(1,289)
Profit after income tax	175	25,575	25,750	(2,702)	23,048
Non-controlling interests			(33)	-	(33)
Profit for the financial year			25,717	(2,702)	23,015
Segment assets					
Investment properties	-	18,448	18,448	(73)	18,375
Intangible assets	1,361	-	1,361	-	1,361
Development properties	-	22,657	22,657	(646)	22,011
Property, plant and equipment	61	2,182	2,243	-	2,243
Financial assets, available-for-sales	-	10,176	10,176	-	10,176
Trade and other receivables	1,336	959	2,295	(130)	2,165
Cash and cash equivalents	580	56,048	56,628	-	56,628
Others	251	76	327	-	327
Total assets					113,286

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

34. SEGMENT INFORMATION (CONTINUED)

	Publishing	Properties	Total operations	Eliminations and adjustments	Total
	$'000	$'000	$'000	$'000	$'000
2014					
Segment liabilities					
Trade and other payables	1,197	5,691	6,888	(130)	6,758
Borrowings	-	11,396	11,396	-	11,396
Current income tax payable	25	1,474	1,499	-	1,499
Deferred tax liabilities	-	190	190	70	260
Total liabilities					19,913
Capital expenditure					
- Investment properties	-	2,703	2,703	-	2,703
- Property, plant and equipment	18	54	72	-	72
Depreciation					
- Investment properties	-	542	542	(8)	534
- Property, plant and equipment	23	381	404	-	404
Reversal of write-down of development properties	-	(3,416)	(3,416)	-	(3,416)
Gain on disposal of investment properties	-	(19,310)	(19,310)	-	(19,310)
Impairment loss of financial assets, available-for-sale	-	456	456	-	456

The Board of Directors assesses the performance of the operating segments based on a measure of segment results which defined as gross profit less selling and distribution, administrative and finance expenses. There is no inter-segment revenue.

Revenue from external customers are derived mainly from the sale of development properties, sale of exhibition space, advertising and rental income as presented in Note 4. During the financial year, there were no inter-segment sales between the geographic segments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONTINUED)

34. SEGMENT INFORMATION (CONTINUED)

Revenue from external customers and location of non-current assets (Continued)

A significant proportion of the Group's revenue is derived from Singapore. Although the Company and the subsidiaries have offices overseas, these undertake only marketing activities. All the Group's editorial and production facilities are located in Singapore and the related costs are therefore incurred in Singapore. Accordingly, it would not be meaningful to provide a geographical analysis of profit before income tax and assets. An analysis of the turnover of the Group by geographical locations is as follows:

	2015	2014
	$'000	$'000
Revenue		
Singapore	16,693	24,794
Thailand	138	288
United States of America	184	232
People's Republic of China	137	165
Malaysia	125	145
Indonesia	112	137
Others	776	801
	18,165	26,562
Non-current assets		
Singapore	21,429	22,035

Non-current assets consist of investment properties, property, plant and equipment, intangible assets and club membership.

Reportable segments' assets are reconciled to total assets as follows:

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitor the development properties, intangible assets, inventories, receivables, operating cash and investment properties attributable to each segment. All assets are allocated to the reportable segments except for certain assets included in "Others" not reported to the chief operating decision maker.

Reportable segments' liabilities are reconciled to total liabilities as follows:

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments.

Major Customers

The revenues from four major customers of the Group's property segment represent approximately $9,140,000 (2014: $16,249,000).

35. EVENTS SUBSEQUENT TO THE REPORTING DATE

In compliance with Singapore Exchange Securities Trading Limited ("SGX-ST") minimum trading price per share of $0.20 requirement, the Company proposed to undertake a share consolidation exercise to consolidate every two (2) existing ordinary shares into one (1) ordinary share ("Consolidated Share") in the capital of the Company as announced on SGX-ST on 26 May 2015.

Subsequently on 19 June 2015, the Company received the in-principle approval of the SGX-ST for the listing of and quotation for up to 150,000,000 Consolidated Shares on the Mainboard of the SGX-ST, subject to shareholders' approval being obtained on the forthcoming extraordinary general meeting and compliance with SGX-ST's listing requirements.



EASTERN HOLDINGS LIMITED
(Registration Number: 198105390C)

2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

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EASTERN HOLDINGS LIMITED

2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

1(a)(i) Consolidated Statements of Comprehensive Income

For the financial period ended 30 September 2015

	GROUP					
	2QFY 2016	2QFY 2015	Change	1HFY 2016	1HFY 2015	Change
	$'000	$'000	%	$'000	$'000	%
Revenue	1,738	11,167	(84.4)	3,835	14,415	(73.4)
Cost of sales	(158)	(8,028)	(98.0)	(351)	(8,851)	(96.0)
Gross profit	1,580	3,139	(49.7)	3,484	5,564	(37.4)
Other income	814	372	118.7	1,608	953	68.7
Expenses:						
Selling and distribution	(74)	(103)	(27.8)	(154)	(176)	(12.5)
Administrative and others	(3,811)	(2,677)	42.4	(5,842)	(4,853)	20.4
Finance Costs	(11)	(5)	119.1	(17)	(9)	88.4
	(3,896)	(2,785)	39.9	(6,013)	(5,038)	19.3
(Loss)/profit before income tax	(1,502)	726	(306.9)	(921)	1,479	(162.3)
Income tax credit / (expense)	414	(317)	(230.7)	410	(371)	(210.6)
(Loss)/profit for the financial period	(1,088)	409	(366.0)	(511)	1,108	(146.1)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Financial assets, available-for-sale:						
- Fair value (loss)/gain	(1,319)	441	(399.1)	(1,000)	788	(226.9)
- Transfer to profit or loss	(228)	(14)	N.M	(792)	(221)	258.4
Exchange differences on translating foreign operations	184	(251)	(173.3)	53	172	(69.2)
Other comprehensive income for the financial period	(1,363)	176	(874.4)	(1,739)	739	(335.3)
Total comprehensive income for the financial period	(2,451)	585	(518.9)	(2,250)	1,847	(221.8)
(Loss)/profit attributable to:						
Owners of the parent	(1,088)	409	(366.0)	(511)	1,108	(146.1)
Total comprehensive income attributable to:						
Owners of the parent	(2,451)	585	(518.9)	(2,250)	1,847	(221.8)

NM = Not meaningful; and 2QFY = second quarter, 1HFY = first half year.

EASTERN HOLDINGS LIMITED

2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

1(a)(ii) Explanatory Notes to the Consolidated Statements of Comprehensive Income

For the financial period ended 30 September 2015

	GROUP					
	2QFY 2016	2QFY 2015	Change	1HFY 2016	1HFY 2015	Change
	$'000	$'000	%	$'000	$'000	%
Revenue						
Publishing	1,104	1,228	(10.1)	2,427	3,682	(34.1)
Sales and rental of properties	634	9,939	(93.6)	1,408	10,733	(86.9)
Total revenue	1,738	11,167	(84.4)	3,835	14,415	(73.4)
Cost of sales						
Publishing	(158)	(271)	(41.6)	(351)	(934)	(62.4)
Sales and rental of properties	-	(7,757)	NM	-	(7,917)	NM
Total cost of sales	(158)	(8,028)	(98.0)	(351)	(8,851)	(96.0)
Gross profit						
Publishing	946	957	(1.1)	2,076	2,748	(24.4)
Sales and rental of properties	634	2,182	(70.9)	1,408	2,816	(50.0)
Total gross profit	1,580	3,139	(49.7)	3,484	5,564	(37.4)

EASTERN HOLDINGS LIMITED

2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

1(a)(ii) Explanatory Notes to the Consolidated Statements of Comprehensive Income (Continued)

For the financial period ended 30 September 2015 (Continued)

	GROUP					
	2QFY 2016 $'000	2QFY 2015 $'000	Change %	1HFY 2016 $'000	1HFY 2015 $'000	Change %
Other information:						
(A) Investment income						
- Dividend income	(56)	(121)	(53.7)	(197)	(310)	(36.5)
(B) Other income						
- Interest income	(13)	(119)	(89.1)	(30)	(229)	(86.9)
(C) Interest on borrowings	11	5	120.0	17	9	88.9
(D) Depreciation						
- Investment properties	159	155	2.6	316	312	1.3
- Property, plant and equipment	125	122	2.5	249	221	12.7
(E) Allowance for doubtful debts and bad debts written off						
- Allowance for doubtful debts	51	123	(58.5)	71	152	(53.3)
(F) Fair value adjustments of investments						
- Financial assets, at fair value through profit and loss, fair value loss	1	2	(50.0)	2	2	NM
(G) Foreign exchange gain, net	(431)	(128)	236.7	(406)	(56)	625.0
(H) (Gain)/Loss on sale of investments, properties and/or plant and equipment						
- Gain on disposal of financial assets, available for sale	(228)	(14)	NM	(792)	(221)	258.4
(I) Adjustments for over-provision of tax in respect of prior years	228	14	NM	277	14	NM
(J) Write-down of development properties to net realisable value	1,312	-	NM	1,312	-	NM

EASTERN HOLDINGS LIMITED

2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

1(b)(i) Statements of Financial Position

Statements of Financial Position as at 30 September 2015

	GROUP			COMPANY		
	30/09/15	31/03/15	Change	30/09/15	31/03/15	Change
	$'000	$'000	%	$'000	$'000	%
ASSETS						
Current assets						
Cash and cash equivalents	9,506	8,397	13.2	7,387	5,433	36.0
Financial assets, available-for-sale	2,001	1,755	14.0	575	696	(17.4)
Financial assets, at fair value through profit or loss	16	18	(11.1)	16	18	(11.1)
Trade and other receivables	7,699	7,184	7.2	37,199	42,551	(12.6)
Income tax recoverable	268	162	65.4	-	-	-
Development properties	11,557	13,663	(15.4)	-	-	-
Inventories	128	154	(16.9)	-	-	-
	31,175	31,333	(0.5)	45,177	48,698	(7.2)
Non-current assets						
Financial assets, available-for-sale	6,548	8,970	(27)	182	1,275	(85.7)
Club membership	56	56	-	56	56	-
Investments in subsidiaries	-	-	-	7,813	7,913	(1.3)
Investment properties	18,351	17,864	2.7	2,315	2,399	(3.5)
Property, plant and equipment	1,925	2,148	(10.4)	1,492	1,622	(8.0)
Intangible assets	1,361	1,361	-	-	-	-
Deferred tax assets	223	-	NM	-	-	-
	28,464	30,399	(6.4)	11,858	13,265	(10.6)
Total assets	59,639	61,732	(3.4)	57,035	61,963	(8.0)
LIABILITIES						
Current liabilities						
Trade and other payables	2,499	2,793	(10.5)	37,044	40,277	(8.0)
Borrowings	341	171	99.4	341	171	99.4
Current income tax payable	1,077	1,498	(28.1)	690	889	(22.4)
	3,917	4,462	(12.2)	38,075	41,337	(7.9)
Non-current liabilities						
Borrowings	1,526	824	85.2	1,526	824	85.2
	1,526	824	85.2	1,526	824	85.2
Total liabilities	5,443	5,286	3.0	39,601	42,161	(6.1)
EQUITY						
Share capital	13,942	13,942	-	13,942	13,942	-
Other reserves	80	1,819	(95.6)	176	629	(72.0)
Equity reserve	(3,477)	(3,477)	-	-	-	-
Retained profits	43,651	44,162	(1.2)	3,316	5,231	(36.6)
Total equity attributable to owners of the Parent	54,196	56,446	(4.0)	17,434	19,802	(12.0)
Total liabilities and equity	59,639	61,732	(3.4)	57,035	61,963	(8.0)

EASTERN HOLDINGS LIMITED

2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

1(b)(ii) Group's Borrowings (including finance leases)

		GROUP		COMPANY	
		30/09/15	31/03/15	30/09/15	31/03/15
	Note	$'000	$'000	$'000	$'000
Amount repayable within one year or less, or on demand:					
Term loan 1 - secured	(1)	171	171	171	171
Term loan 2 - secured	(1)	170	-	170	-
		341	171	341	171
Amount repayable after one year:					
Term loan 1 - secured	(1)	739	824	739	824
Term loan 2 - secured	(1)	787	-	787	-
		1,526	824	1,526	824
Total Debt		**1,867**	**995**	**1,867**	**995**
Total Cash		9,506	8,397	7,387	5,433
Total Cash less Debt		7,639	7,402	5,520	4,438

Note (1): Details of any collateral

The Group's secured borrowings as at 30 September 2015 of $1,867,000 (31 March 2015: $995,000) are secured by the following properties:

		GROUP	
		Net Carrying Amount	
		30/09/15	31/03/15
Property Description	**Tenure**	**$'000**	**$'000**
Investment property and property, plant and equipment:			
4 storey JTC Industrial Building at 1100 Lower Delta Road, Singapore 169206	60 years from 1 August 1969	3,659	3,791
Development properties:			
Semi-detached houses at 87 & 99 Grove Drive, Singapore 279139 & 275758	Estate in perpetuity	11,100	12,412
Investment properties:			
18 Evelyn Road #05-04 D'Evelyn, Singapore 309307	Estate in fee simple	801	804
6 storey light industrial factory at 12 Hoy Fatt Road, Singapore 159506	99 years from 1 January 1958	12,829	12,983
		28,389	29,990

EASTERN HOLDINGS LIMITED

2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

1(c) Consolidated Statements of Cash Flows

For the financial period ended 30 September 2015

	GROUP			
	2QFY 2016	2QFY 2015	1HFY 2016	1HFY 2015
	$'000	$'000	$'000	$'000
Operating activities				
(Loss)/profit before income tax	(1,502)	726	(921)	1,479
Adjustments for:				
Allowance for doubtful trade receivables	51	123	71	152
Write down of development properties	1,312	-	1,312	-
Depreciation of investment properties	159	155	316	312
Depreciation of property, plant and equipment	125	122	249	221
Dividend income	(56)	(121)	(197)	(310)
Fair value loss on financial assets, at fair value through profit or loss	1	2	2	2
Gain on disposal of financial assets, available-for-sale	(228)	(14)	(792)	(221)
Interest expenses	11	5	17	9
Interest income	(13)	(119)	(30)	(229)
Unrealised foreign exchange loss/(gain)	250	(250)	116	172
Operating cash flows before movements in working capital	110	629	143	1,587
Working capital changes:				
Trade and other receivables	1,304	847	(587)	(2,015)
Development properties	-	5,642	-	4,642
Inventories	11	(5)	26	36
Trade and other payables	298	(2,376)	(366)	(925)
Cash from/(used in) operating activities	1,723	4,737	(784)	3,325
Income tax paid	(130)	(89)	(352)	(89)
Income tax refund	(2)	-	11	-
Interest received	13	119	30	229
Net cash from/(used in) operating activities	1,604	4,767	(1,095)	3,465
Investing activities				
Additions to property, plant and equipment	(12)	(191)	(25)	(422)
Purchases of financial assets, available-for-sale	(395)	(752)	(1,494)	(1,270)
Proceeds from disposal of financial assets, available-for-sale	685	100	2,671	1,047
Dividends received	56	121	197	310
Net cash from/(used in) investing activities	334	(722)	1,349	(335)

EASTERN HOLDINGS LIMITED
2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

1(c) Consolidated Statements of Cash Flows (Continued)

For the financial period ended 30 September 2015 (Continued)

	GROUP			
	2QFY 2016	**2QFY Y2015**	**1HFY 2016**	**1HFY 2015**
	$'000	**$'000**	**$'000**	**$'000**
Financing activities				
Dividends paid to shareholders	-	(1,500)	-	(1,500)
Proceed of borrowings	-	-	1,000	-
Repayments of borrowings	(85)	(1,346)	(128)	(1,532)
Interest expenses	(11)	(5)	(17)	(9)
Net cash (used in)/from financing activities	(96)	(2,851)	855	(3,041)
Net change in cash and cash equivalents	1,842	1,194	1,109	89
Cash and cash equivalents at beginning of financial year	7,664	55,523	8,397	56,628
Effects of currency translation on cash and cash equivalents	-	36	-	36
Cash and cash equivalents at end of financial year	9,506	56,753	9,506	56,753

Cash and Cash Equivalents at end of the financial period

Cash and cash equivalents at 30 September 2015 comprise:

	GROUP			
	2QFY 2016	**2QFY 2015**	**1HFY 2016**	**1HFY 2015**
	$'000	**$'000**	**$'000**	**$'000**
Cash at banks	6,230	14,389	6,230	14,389
Fixed deposits placed with financial institutions	3,064	37,138	3,064	37,138
	9,294	51,527	9,294	51,527
Add: Project Accounts (Note (1) below)				
Cash at bank	212	425	212	425
Fixed deposits placed with financial institutions	-	4,801	-	4,801
	212	5,226	212	5,226
	9,506	56,753	9,506	56,753

Note (1): Withdrawal from the Project Account is restricted to qualifying development project expenditure settlement.

EASTERN HOLDINGS LIMITED

2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

1(d) (i) Statements of Changes in Equity

For the financial period ended 30 September 2015 and 30 September 2014

	Share capital	Fair value reserve	Currency translation reserve	Equity reserve	Retained earnings	Total equity attributable to owners of the Parent
GROUP	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
1HFY2016						
Balance at 1 April 2015	13,942	1,958	(139)	(3,477)	44,162	56,446
Profit for the financial period						
Other comprehensive income for the financial period:	-	-	-	-	(511)	(511)
Financial assets, available-for-sale:						
- Fair value loss	-	(1,000)	-	-	-	(1,000)
- Transfer to profit or loss	-	(792)	-	-	-	(792)
Exchange differences on translating foreign operations	-	-	53	-	-	53
Total other comprehensive income for the financial period	-	(1,792)	53	-	-	(1,739)
Total comprehensive income for the financial period	-	(1,792)	53	-	(511)	(2,250)
- Dividend paid	-	-	-	-	-	-
Balance at 30 September 2015	13,942	166	(86)	(3,477)	43,651	54,196
1HFY2015						
Balance at 1 April 2014	13,942	(184)	(206)	(3,477)	83,298	93,373
Profit for the financial period	-	-	-	-	1,108	1,108
Other comprehensive income for the financial period:						
Financial assets, available-for-sale:						
- Fair value gain	-	788	-	-	-	788
- Transfer to profit or loss	-	(221)	-	-	-	(221)
Exchange differences on translating foreign operations	-	-	172	-	-	172
Total other comprehensive income for the financial period	-	567	172	-	-	739
Total comprehensive income for the financial period	-	567	172	-	1,108	1,847
- Dividend paid	-	-	-	-	(1,500)	(1,500)
Balance at 30 September 2014	13,942	383	(34)	(3,477)	82,906	93,720

EASTERN HOLDINGS LIMITED

2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

1(d) (i) Statements of Changes in Equity (Continued)

For the financial period ended 30 September 2015 and 30 September 2014 (Continued)

	Share capital	Fair value reserve	Retained profits	Total equity
COMPANY	**$'000**	**$'000**	**$'000**	**$'000**
1HFY2016				
Balance at 1 April 2015	13,942	629	5,231	19,802
Loss for the financial period	-	-	(1,915)	(1,915)
Other comprehensive income for the financial period:				
Financial assets, available-for-sale:				
- Fair value loss	-	(425)	-	(425)
- Transfer to profit or loss	-	(28)	-	(28)
		(453)	-	(453)
Total other comprehensive income for the financial period	-			
Dividend paid	-	-	-	-
Total comprehensive income for the financial period	-	(453)	(1,915)	(2,368)
Balance at 30 September 2015	13,942	176	3,316	17,434
1HFY2015				
Balance at 1 April 2014	13,942	17	40,999	54,958
Loss for the financial period	-	-	(89)	(89)
Other comprehensive income for the financial period:				
Financial assets, available-for-sale:				
- Fair value gain	-	179	-	179
- Transfer to profit or loss	-	-	-	-
Total other comprehensive income for the financial period	-	179	-	179
Dividend paid	-	-	(1,500)	(1,500)
Total comprehensive income for the financial period	-	179	(1,589)	(1,410)
Balance at 30 September 2014	13,942	196	39,410	53,548

1(d) (ii) Changes in the Company's Issued Share Capital

There was no change in the Company's issued and fully paid-up share capital during the financial period ended 30 September 2015, except for consolidation of every two (2) existing ordinary shares in the capital of the Company into one (1) ordinary share was completed on 31 August 2015.

There were no outstanding options, convertibles or treasury shares as at 30 September 2015, 31 March 2015 and 30 September 2014.

EASTERN HOLDINGS LIMITED

2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

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

	COMPANY	
	At 30/09/15	At 31/3/15
Ordinary shares	149,999,999	300,000,000

On 31 August 2015, consolidation of every two (2) existing ordinary shares in the capital of the Company into one (1) ordinary share was completed.

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

The Company did not hold any treasury shares as at 30 September 2015, 31 March 2015 and 30 September 2014.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares for the six months ended 30 September 2015.

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

The consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2015, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the six-month period from 1 April 2015 to 30 September 2015 are presented in accordance with Singapore Financial Reporting Standard 34 "Interim Financial Reporting" ("FRS 34") and have not been audited, but have been reviewed by the auditors of the Company, in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("SSRE 2410").

3 Where the figures have been audited or reviewed, the auditor's report (including any qualification or emphasis of matter)

Please refer to the attached independent auditor's review report for the six months ended 30 September 2015.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those for the audited financial statements for the year ended 31 March 2015, except for the adoption of all the applicable new/revised Financial Reporting Standards ("FRSs") and INT FRS, including its consequential amendments and interpretations, which become effective for the current financial period beginning 1 April 2015. There is no material impact on the Group's financial statements upon adoption of these FRS and INT FRS.

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

Please refer to Item 4 above.

6 Earnings Per Ordinary Share

Earnings per ordinary share ("EPS") based on profit after tax and non-controlling interests ("NCI") attributable to the owners of the Company for the financial period ended 30 September 2015

	GROUP			
	2QFY 2016	Restated 2QFY 2015	1HFY 2016	Restated 1HFY 2015
Net (loss)/profit attributable to the owners of the parent ($'000)	(1,088)	409	(511)	1,108
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	149,999,999	149,999,999	149,999,999	149,999,999
Basic earnings per share (cents)	(0.72)	0.27	(0.34)	0.74
Diluted earnings per share (cents)	(0.72)	0.27	(0.34)	0.74

The comparative figures are restated due to the share consolidation of every two (2) ordinary shares into one (1) ordinary share in the Capital of the Company, fractional entitlements to be disregarded, from 300,000,000 to 149,999,999 which was completed on 31 August 2015.

7 Net Asset Value and Net Tangible Assets Per Ordinary Share

Net asset value ("NAV") and Net Tangible Assets ("NTA") per ordinary share based on issued share capital (excluding treasury shares) as at 30 September 2015

	GROUP		COMPANY	
	30/09/15	Restated 31/03/15	30/09/15	Restated 31/03/15
NAV per ordinary share (cents)	36.13	37.63	11.62	13.20
NTA per ordinary share (cents)	35.08	36.72	11.62	13.20

The comparative figures are restated due to the share consolidation of every two (2) ordinary shares into one (1) ordinary share in the Capital of the Company, fractional entitlements to be disregarded, from 300,000,000 to 149,999,999 which was completed on 31 August 2015.

8 Review of the Group's Performance

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion on the following:

(a) any significant factors that affected turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

EASTERN HOLDINGS LIMITED
2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

8 Review of the Group's Performance (Continued)

For the financial period ended 30 September 2015

		GROUP					
	Note	2QFY 2016 $'000	2QFY 2015 $'000	Change %	1HFY 2016 $'000	1HFY 2015 $'000	Change %
Revenue		1,738	11,167	(84.4)	3,835	14,415	(73.4)
Cost of sales		(158)	(8,028)	(98.0)	(351)	(8,851)	(96.0)
Gross profit		1,580	3,139	(49.7)	3,484	5,564	(37.4)
		90.91%	28.11%		90.84%	38.60%	
Gain on sale of financial assets, available-for-sale		228	14	NM	792	221	258.4
Other Income - Others		573	239	139.7	785	503	56.1
Other income		801	253	216.5	1,577	724	117.8
Operating Expenses		(3,601)	(2,503)	(43.9)	(5,430)	(4,496)	(20.8)
Earnings before interest, tax and depreciation		(1,220)	889	(237.2)	(369)	1,792	(120.6)
Depreciation for investment properties		(159)	(155)	2.9	(316)	(312)	1.4
Depreciation for property, plant and equipment		(125)	(122)	2.6	(249)	(221)	12.7
Earnings before interest and tax		(1,504)	612	(345.8)	(934)	1,259	(174.2)
Finance costs		(11)	(5)	120.0	(17)	(9)	88.9
Interest income		13	119	(89.1)	30	229	(86.9)
(Loss)/profit before income tax		(1,502)	726	(306.9)	(921)	1,479	(162.3)
Income tax credit/(expense)		414	(317)	(230.7)	410	(371)	(210.6)
(Loss)/profit for the financial period ("PAT") attributable to the owners of the Parent		(1,088)	409	(366.0)	(511)	1,108	(146.1)

Consolidated Statements of Comprehensive Income

2QFY2016 vs 2QFY2015 and 1HFY2016 vs 1HFY2015

The Group's revenue declined by 84% from $11.2 million to $1.7 million for the second quarter and declined by 73% from $14.4 million to $3.8 million for the first half-year mainly due to revenue recognition of the sale of four units of Grove Residence amounting to $9.1 million in the previous corresponding period.

The cost of sales declined by 98% to $0.2 million from $8.0 million for the second quarter and by 96% from $8.9 million to $0.4million for the first half-year mainly due to the abovementioned sale of residential units.

Other income include gain on disposals of financial assets, foreign exchange gain, and dividend income, but excluding interest income increased from $0.3 million to $0.8 million for the second quarter and from $0.7 million to $1.6 million for the first half-year.

8 Review of the Group's Performance (Continued)

Consolidated Statements of Comprehensive Income (Continued)

2QFY2016 vs 2QFY2015 and 1HFY2016 vs 1HFY2015 (Continued)

The increase in operating expenses to $3.6 million from $2.5 million for the second quarter and $5.4 million from $4.5 million for the first half-year mainly due to an impairment of $1.3 million based on valuation done by an independent valuer for the semi-detached houses at 87 and 99 Grove Drive, Singapore.

Loss for the financial period attributable to the owners of the parent is $0.5 million as compared to profit attributable to the owners of the parent of $1.1 million in the corresponding half-year.

Consolidated Statements of Financial Position

30 September 2015 vs 31 March 2015

Cash as at 30 September 2015 was $9.5 million, an increase of $1.1 million as compared to $8.4 million as at 31 March 2015. The increase was attributed mainly to drawdown of term loan of $1.0 million, progressive billings from Grove Residence amounting to $1.3 million, and proceeds from sale of financial assets of $2.7 million, which are partially offset by purchases of financial assets of $1.5 million, additional progressive payments of $2.8 million towards investment properties in Hengqin, China and settlement of legal disputes amounting to $0.4 million during the first half-year period.

Financial assets, available-for-sale amounted to $8.5 million as at 30 September 2015, compared to $10.7 million as at 31 March 2015 which is in line with net decrease in fair value reserve of $1.8 million and disposals of financial assets during this half-year.

Development properties as at 30 September 2015 was $11.6 million, compared to $13.7 million as at 31 March 2015 mainly due to reclassification 18 Evelyn Road #05-04 D'Evelyn, Singapore of $0.8 million to investment properties and an impairment of $1.3 million based on valuation done by the independent valuer for semi-detached houses at 87 and 99 Grove Drive, Singapore.

9 Variance from Forecast or Prospect Statement Previously Disclosed

There has been no significant variance in the competitive conditions in the property and publishing sectors in which the Group operates, as compared to the disclosure in Paragraph 10 of results for the financial period ended 30 June 2015.

10 Commentary of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The Group expects the Singapore property market to remain subdued as the impact of prevailing cooling measures, including but not limiting to the Total Debt Servicing Ratio ("TDSR") and concerns over interest rate hikes that continue to weigh on the market. Singapore real estate may remain challenging in the foreseeable future, the Group is diversifying its risks by seeking new opportunities to capitalise on growth sectors in both local and overseas markets. External headwinds and continued uncertainties in global economic conditions result in challenging market conditions for both the property and publishing sectors.

EASTERN HOLDINGS LIMITED

2016 FIRST HALF-YEAR UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

10A The Singapore Code on Take-overs and Mergers

On 22 September 2015, the Company and MBT Enterprises Pte. Ltd. (the "Offeror") jointly announced ("Announcement") that the Offeror had presented to the directors of the Company ("Directors") the Delisting Proposal (as defined in the Announcement) to seek the voluntary delisting of the Company from the Official List of the Singapore Exchange Securities Trading Limited pursuant to Rules 1307 and 1309 of the Listing Manual. Under the terms of the Delisting Proposal, the Offeror will make the Exit Offer (as defined in the Announcement) at the Exit Offer Price (as defined in the Announcement).

As such, the Company is regarded to be in an "offer period" under the Singapore Code on Take-overs and Mergers ("Code"). In view of the Offer, this announcement has been reported on in accordance with Rule 25 of the Code with the following Annexures:

Annexure I - Report dated 11 November 2015 from BDO LLP ("Independent Auditors"), on their review of the interim financial information in this announcement

Annexure II - Report dated 11 November 2015 from Provenance Capital Pte. Ltd., the Independent Financial Adviser ("IFA") to the Directors who are considered independent for the purpose of making a recommendation to our shareholders in respect of the Exit Offer, on their examination of the interim financial information in this announcement

11 Dividend

11 (a) **Any dividend declared for the current financial period reported on?** No.

11 (b) **Any dividend declared for the previous corresponding period?** No.

11 (c) **Date payable:** Not applicable.

11 (d) **Date of book closure:** Not applicable.

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

Not applicable.

13 Interested Person Transaction ("IPT") mandate

No general mandate for IPT has been obtained from shareholders in the current reporting period.

14 Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of Eastern Holdings Limited which may render the unaudited interim financial statements for the Group and the Company as at 30 September 2015 and for the financial period ended on that date, to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Kenneth Tan Kay Soon
Executive Chairman and Group Managing Director

Lum Kum Kuen
Executive Director

11 November 2015

BDO

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BDO LLP
Chartered Accountants
21 Merchant Road #05-01
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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE BOARD OF DIRECTORS OF EASTERN HOLDINGS LTD

Introduction

We have reviewed the interim financial information of Eastern Holdings Ltd (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2015, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the six-month period from 1 April 2015 to 30 September 2015 ("Interim Financial Information"), selected notes and other explanatory notes.

The directors of the Company are responsible for the preparation and fair presentation of the Interim Financial Information in accordance with Singapore Financial Reporting Standard 34 "Interim Financial Reporting" ("FRS 34").

Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

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

Conclusion

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

BDO LLP

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
11 November 2015

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PROVENANCECAPITAL

11 November 2015

The Board of Directors
Eastern Holdings Ltd.
1100 Lower Delta Road #02-01,
EPL Building
Singapore 169206

Dear Sirs,

THE PROPOSED VOLUNTARY DELISTING OF EASTERN HOLDINGS LTD.

This letter has been prepared in relation to the announcement dated 11 November 2015 by the Company on its unaudited financial statements for the six months ended 30 September 2015 ("**1H2016 Results**") of the Company and its subsidiaries ("**Group**").

This Letter has been prepared in connection with the Exit Offer pursuant to Rule 25 of the Singapore Code on Take-over and Mergers.

We have examined and held discussions with the management and the Company's directors ("**Directors**") on the 1H2016 Results. The 1H2016 Results are solely the responsibility of the Directors. We have also considered the Independent Auditor's Report to the Board of Directors of the Company dated 11 November 2015 issued by BDO LLP ("**BDO**") in relation to their review of the 1H2016 Results. BDO had conducted their review in accordance with Singapore Standard on Review Engagements 2410, *'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'*.

For the purpose of rendering our opinion on the 1H2016 Results, we have relied upon and assumed the accuracy and completeness of all financial and other information provided to and/or discussed with us. Save as provided in this letter, we do not express any other opinion on the 1H2016 Results.

Based on the foregoing, we are of the opinion that the 1H2016 Results had been made by the Directors after due and careful enquiry.

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

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

Wong Bee Eng
Chief Executive Officer

Provenance Capital Pte. Ltd.
Co. Reg. No: 200309056E
96 Robinson Road, #13-01 SIF Building, Singapore 068899 | Tel : (65) 6227 1580/5810 | Fax: (65) 6224 6316

PROVENANCE CAPITAL PTE. LTD.

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

16 December 2015

To: The Independent Directors of Eastern Holdings Ltd.
(deemed to be independent in respect of the Exit Offer)

Mr Lum Kum Kuen	(Executive Director)
Mr Diong Tai Pew	(Non-Executive and Independent Director)
Mr Nicholas Jeyaraj s/o Narayanan	(Non-Executive and Independent Director)

Dear Sirs,

THE PROPOSED VOLUNTARY DELISTING OF EASTERN HOLDINGS LTD.

*Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to the shareholders of the Company ("**Shareholders**") dated 16 December 2015 ("**Circular**").*

1. INTRODUCTION

1.1 On 22 September 2015 ("**Announcement Date**"), Eastern Holdings Ltd. ("**Company**" and its subsidiaries, the "**Group**") and MBT Enterprises Pte. Ltd. ("**Offeror**") jointly announced that the Offeror had presented to the directors of the Company ("**Directors**"), a formal proposal ("**Delisting Proposal**") to seek the voluntary delisting of the Company ("**Delisting**") from the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") pursuant to Rules 1307 and 1309 of the listing manual of the SGX-ST ("**Listing Manual**").

Under the Delisting Proposal, CIMB Bank Berhad, Singapore Branch ("**CIMB**") will make, for and on behalf of the Offeror, an exit offer ("**Exit Offer**") in cash, conditional on, *inter alia*, the approval of Shareholders for the Delisting, to acquire all the shares of the Company ("**Shares**") (excluding treasury shares, if any) held by the Shareholders, other than those held, directly or indirectly by the Offeror as at the date of the Exit Offer ("**Offer Shares**"). The Directors have noted the Exit Offer and reviewed the Delisting Proposal, and subject to the approval of the SGX-ST, have resolved that an EGM be convened in due course to seek the approval of Shareholders for the Delisting and an application be made to the SGX-ST for the Delisting.

1.2 The Offeror is a special purpose vehicle incorporated in Singapore for the purposes of the Delisting and Exit Offer. Its principal activity is that of investment holding. As at the Announcement Date, the Offeror has an issued and paid-up capital of S$10,000 comprising 10,000 shares, all of which is held by Madam Janet Lim ("**Janet Lim**"). The board of directors of the Offeror comprises Janet Lim and her son, Mr Brandon Tay E-Jen ("**Brandon Tay**"). Mr Jason Xie Zhihao ("**Jason Xie**"), who is the son-in-law of Janet Lim and the brother-in-law of Brandon Tay, is the alternate director to Brandon Tay on the board of the Offeror. As at the Announcement Date, the Offeror does not own any Shares.

1.3 As at the Announcement Date, MBT Holdings Pte. Ltd. ("**MBT**") owns 126,004,762 Shares, representing 84.0% of the total number of issued Shares of 149,999,999 Shares. Janet Lim and her husband, Mr Stephen Tay Thian Boon ("**Stephen Tay**"), own MBT equally and are the directors of MBT. Brandon Tay and Jason Xie, who is the son and son-in-law respectively of Stephen Tay and Janet Lim, do no hold any Shares. For the purpose of making the Exit Offer, each of Janet Lim and Stephen Tay has procured that MBT provides an irrevocable undertaking ("**MBT Undertaking**") in favour of the Offeror in respect of its Shares, that is, to vote in favour of the Delisting and to accept the Exit Offer in respect of all its Shares.

As at the Latest Practicable Date, MBT shareholding interest in the Company has increased to 130,329,862 Shares, representing approximately 86.89% of the total number of issued Shares.

1.4 In connection with the Delisting and the Exit Offer, the Company has appointed Provenance Capital Pte. Ltd. ("**Provenance Capital**") as the independent financial adviser ("**IFA**") to the Directors who are considered independent in respect of the Exit Offer ("**Independent Directors**"), for the purpose of making their recommendation to the Shareholders in relation to the Exit Offer.

1.5 Mr Kenneth Tan Kay Soon ("**Kenneth Tan**"), who is the Chairman and Group Managing Director of the Company, is the cousin of Stephen Tay and as such is deemed under the Singapore Code on Take-overs and Mergers ("**Code**") to be a person acting in concert with the Offeror. In view of the above, the Company had made an application to the Securities Industry Council ("**SIC**") and the SIC had, on 12 October 2015, ruled that Kenneth Tan is exempted from the requirement to make a recommendation to the Shareholders on the Exit Offer as he faces an irreconcilable conflict of interest in doing so being a presumed concert party of the Offeror.

The Company has confirmed to us that the remaining Directors, namely, Mr Lum Kum Kuen, Mr Diong Tai Pew and Mr Nicholas Jeyaraj s/o Narayanan, are considered as Independent Directors for the purpose of the Exit Offer.

1.6 This letter ("**Letter**") is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and advice on the financial terms of the Exit Offer and our recommendation on the Exit Offer. This Letter forms part of the Circular which provides, *inter alia*, the details of the Proposed Delisting, the Exit Offer and the recommendation of the Independent Directors on the Exit Offer.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA to advise the Independent Directors in respect of their recommendation to the Shareholders in relation to the Exit Offer.

We have confined our evaluation and assessment to the financial terms of the Exit Offer, and have not taken into account the commercial risks or commercial merits of the Exit Offer. In addition, we have not been requested to, and we do not, express any advice or give any opinion on the merits of the Delisting and the Exit Offer relative to any other alternative transaction. We were not involved in the negotiations pertaining to the Delisting and the Exit Offer nor were we involved in the deliberations leading up to the decision to put forth the Delisting and the Exit Offer to the Shareholders.

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position or earnings potential of the Company or the Group. Such evaluation or comments remain the responsibility of the Directors although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion. The opinion set forth herein is based solely on publicly available information as well as information provided by the Directors, and is predicated upon the economic and market conditions prevailing as at 7 December 2015, being the Latest Practicable Date as referred to in the Circular. This Letter therefore does not reflect any projections on the future financial performance of the Group and we do not express any views as to the prices at which the Shares may trade after the completion of the Exit Offer.

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

In formulating our opinion and recommendation, we have held discussions with the Directors and the management of the Group ("**Management**") and have relied to a considerable extent

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

The Directors have confirmed, having made all reasonable enquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Exit Offer, the Company and the Group has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment). In connection with the Exit Offer, the Company had commissioned independent valuers ("**Valuers**") to carry out a revaluation of the various properties owned by the Group.

We have been furnished with the summary letters of the property valuation reports and/or valuation certificates ("**Valuation Summary Letters**") of the following properties of the Group by the Valuers in connection with the Exit Offer:

Properties	**Valuers**
Investment Properties	
1100 Lower Delta Road, EPL Building, Singapore 169206 ("**EPL Building**")	CKS Property Consultants Pte. Ltd. ("**CKS Property Consultants**")
12 Hoy Fatt Road, Bryton House Singapore 159506 ("**Bryton House**")	CKS Property Consultants
Block 713, Clementi West Street 2, #01-115, Singapore 120713 ("**Clementi West Food Court**")	CKS Property Consultants
18 Evelyn Road, #05-04, D'Evelyn, Singapore 309307 ("**#05-04 D'Evelyn**")	CKS Property Consultants
Development Properties	
87 Grove Drive, Singapore 279139; and 99 Grove Drive, Singapore 275758 (collectively, "**Grove Drive Developments**")	CKS Property Consultants

Properties	Valuers
Development Properties	
Two (2) commercial units in the Republic of Mongolia ("**Mongolia Commercial Units**")	M.A.D. Investment Solutions ("**M.A.D.**")
Land in Republic of Mongolia for residential development ("**Mongolia Land**")	M.A.D.
Residential Properties without ownership certificates	
Unit 1501, Block 4 Royal Scenic Mountain No. 32 Jinglian Street Zhuhai City Guangdong Province The People's Republic of China; and Unit 1305 Block 168, Phase 4 Huafa Century City No. 376 Changsheng Road Zhuhai City Guangdong Province The People's Republic of China, (collectively, "**Zhuhai Properties**")	Ascent Partners Valuation Service Limited ("**Ascent Partners**")
Six residential flats in Danyuan 2 Block 10, Leechee Bay Southern side of Gang'ao Main Road Hengqin New Area, Zhuhai City Guangdong Province The People's Republic of China ("**Hengqin Properties**")	Ascent Partners

The Valuation Summary Letters are attached as Appendix VIII to the Circular.

We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on the Valuation Summary Letters for such asset appraisals and have not made any independent verification of the contents thereof. In particular, we do not assume any responsibility to enquire about the basis of the valuation contained in the Valuation Summary Letters or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements including the Code.

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

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

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

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

Our opinion is addressed to the Independent Directors for their benefit and deliberation of the Exit Offer. The recommendation made to the Shareholders in relation to the Exit Offer, as the case may be, shall remain the sole responsibility of the Independent Directors.

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

3. THE EXIT OFFER

The detailed terms and conditions of the Exit Offer are set out in the Offeror's letter to Shareholders ("**Exit Offer Letter**") to be despatched together with the Circular.

The key terms of the Exit Offer are set out below for your reference:

3.1 Exit Offer Price

The consideration for each Offer Share is:

For each Offer Share: S$0.425 in cash.

The Offeror has stated in the Exit Offer Letter that it does not intend to revise the Exit Offer Price under any circumstances.

The Exit Offer Price is applicable to any number of Offer Shares that are tendered in acceptance of the Exit Offer. Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of Offer Shares. Each Shareholder who accepts the Exit Offer will receive S$42.50 for every 100 Offer Shares tendered for acceptance under the Exit Offer.

3.2 Offer Shares

The Offer is extended, on the same terms and conditions, to all the Offer Shares.

As at the Latest Practicable Date, there are no Shares held in treasury. The Company also does not have any outstanding instruments convertible into, rights to subscribe for, nor options (whether pursuant to an employee share option scheme or otherwise) in respect of, securities which carry voting rights of the Company.

The Offer Shares refer to the consolidated shares of the Company following the completion of the share consolidation exercise on 31 August 2015, pursuant to which the Company had consolidated every two (2) ordinary shares in the capital of the Company into one (1) Share ("**Share Consolidation**"), fractional entitlements were disregarded.

3.3 Rights and Encumbrances

The Offer Shares will be acquired:

(i) fully paid;

(ii) free from all liens, equities, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"); and

(iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions, if any ("**Distributions**"), which may be declared, paid or made by the Company on or after the Announcement Date.

If any Distributions or return of capital is declared, made or paid by the Company on or after the Announcement Date, the Offeror reserves the right to reduce the Exit Offer Price by the amount of such Distributions or return of capital.

Since the Announcement Date and up to the Latest Practicable Date, we note that the Company has not made or declared any Distributions or return of capital.

3.4 Conditions

The Delisting Proposal and the Exit Offer will each be conditional on, *inter alia*:

(a) the receipt of the requisite approval of the SGX-ST;

(b) the resolution to approve the Delisting ("**Delisting Resolution**") being approved by a majority of at least 75.0% of the total number of issued Shares held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM to be convened for the Shareholders to vote on the Delisting Resolution (the Directors and controlling Shareholders need not abstain from voting on the Delisting Resolution);

(c) the Delisting Resolution not being voted against by 10.0% or more of the total number of issued Shares held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM; and

(d) the approval of such other relevant authority as may be required,

(collectively, "**Delisting Resolution Approval Conditions**").

Save for the Delisting Resolution Approval Conditions, the Delisting and Exit Offer will each be unconditional in all respects.

3.5 Acceptances

Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of the Offer Shares. However, such acceptances is conditional on the Delisting Resolution Approval Conditions being satisfied. If the Delisting Resolution Approval Conditions are not fulfilled, the Exit Offer will lapse.

The Exit Offer is not conditional upon a minimum number of acceptances being received by the Offeror.

As stated above, Shareholders are to note that if the aforesaid Delisting Resolution Approval Conditions are not fulfilled, the Delisting will not proceed and the Company will remain listed on the SGX-ST. The Exit Offer will also lapse and all acceptances of the Exit Offer will be returned.

3.6 Duration of the Exit Offer and Closing Date

The Exit Offer will be open for acceptances from the date of despatch of the Exit Offer Letter. As the Exit Offer Letter is being despatched to Shareholders together with the Circular, the Exit Offer will remain open for at least 14 days after the date of the announcement of the Shareholders' approval for the Delisting Resolution at the EGM. If the Delisting Resolution is not approved at the EGM, the Exit Offer will lapse.

Accordingly, if the Delisting Resolution is approved by the Shareholders, the Exit Offer will close at 5.30 p.m. on 22 January 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror ("**Closing Date**").

Shareholders should take note of any announcements by the Offeror relevant to their consideration of the Exit Offer, including the closing date of the Exit Offer, which may be released after the EGM.

3.7 Further details of the Exit Offer

Further details of the Exit Offer, including details on: (a) the warranty; (b) procedures for acceptances and further details of the Exit Offer; and (c) settlement of the consideration are set out in the Exit Offer Letter.

4. THE MBT UNDERTAKING

As at the Announcement Date, MBT, which is the major Shareholder, holds 126,004,762 Shares, representing 84.0% of the total number of issued Shares of 149,999,999 Shares. As at the Latest Practicable Date, MBT shareholding interest in the Company has increased to 130,329,862 Shares, representing approximately 86.89% of the total number of issued Shares.

MBT has executed the MBT Undertaking, under which MBT shall vote and/or procure its nominees and parties acting in concert with it to vote, in respect of all their Shares (including such additional Shares as may be acquired by it and/or its nominees and/or parties acting concert with it prior to the EGM), in favour of the Delisting Resolution and to accept the Exit Offer in respect of all their Shares.

The MBT Undertaking includes an agreement by MBT to defer (without interest) receipt of payment of the consideration in respect of all the Shares held by it and tendered in acceptance of the Exit Offer to a date to be mutually agreed between the Offeror and MBT, notwithstanding the provisions of the Code in relation to the time period in which payment should be made.

The MBT Undertaking shall expire if: (a) the Delisting Resolution Approval Conditions are not satisfied, or (b) the Exit Offer (including any revised or improved Exit Offer by or on behalf of the Offeror) is withdrawn, lapses or closes. Save for the foregoing, the MBT Undertaking is irrevocable and will continue to be binding.

Save as disclosed above, as at the Latest Practicable Date, neither the Offeror nor any party acting in concert with it has received any irrevocable undertaking from any party to accept or reject the Exit Offer.

Further information regarding the MBT Undertaking can be found in Section 4 of the Circular.

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

Offeror

The Offeror is a special purpose vehicle incorporated in Singapore for the purposes of the Delisting and the Exit Offer. Its principal activity is that of investment holding.

As at the Latest Practicable Date, the Offeror has an issued and paid-up capital of S$10,000 comprising 10,000 shares, 100.0% of which is held by Janet Lim.

The board of directors of the Offeror comprises Janet Lim and her son, Brandon Tay. Jason Xie, the son-in-law of Stephen Tay and Janet Lim, and the brother-in-law of Brandon Tay, is the alternate director to Brandon Tay on the board of the Offeror. As at the Announcement Date, the Offeror does not own any Shares.

Janet Lim is deemed interested in the Shares held by MBT by virtue of: (i) her being a director of and holding 50.0% of the shareholding interest in MBT; and (ii) her being the wife of Stephen Tay, who holds the other 50.0% shareholding interest in MBT.

As at the Latest Practicable Date, the Offeror does not own any Shares.

Parties acting in concert with the Offeror

As at the Announcement Date, MBT owns 126,004,762 Shares representing approximately 84.0% of the total number of issued Shares.

Since the Announcement Date and up to the Latest Practicable Date, MBT had purchased, in aggregate, 4,325,100 Shares in the open market at prices between S$0.422 and S$0.425 per Share. As a result, as at the Latest Practicable Date, MBT's shareholding interest in the Company has increased to 130,329,862 Shares, representing approximately 86.89% of the total number of issued Shares.

Stephen Tay is the husband of Janet Lim. Stephen Tay and Janet Lim are deemed interested in the Shares held by MBT.

Brandon Tay, who is the son of Ms Janet Lim and Mr Stephen Tay, does not hold any Shares.

Jason Xie, who is the son-in-law of Stephen Tay and Janet Lim, and the brother-in-law of Brandon Tay, does not own any Shares.

Kenneth Tan is the cousin of Stephen Tay. Kenneth Tan does not hold any Shares.

6. INFORMATION ON THE COMPANY AND THE GROUP

The Company was incorporated in Singapore on 21 November 1981 and was listed on the then Sesdaq of the SGX-ST on 14 December 1995. On 19 December 2007, it was transferred to the Mainboard of the SGX-ST.

The Company is an investment holding company. The Group is principally engaged in the business of publishing and property development.

The Group publishes trade and consumer titles covering industries, such as food manufacturing, industrial automation, metalworking, parenting and golf.

The Group develops residential properties, and acquires commercial and industrial properties. The Group also provides self-storage solutions under the SelfStore brand for personal and business needs. Its property related activities are in Singapore, the People's Republic of China ("**PRC**") and Mongolia.

Based on the Exit Offer Price of S$0.425 and the outstanding 149,999,999 Shares as at the Latest Practicable Date, the implied market capitalisation of the Company is approximately S$63.75 million.

In comparison, during the last voluntary unconditional cash offer by MBT for the shares of the Company in 2012, the implied market capitalisation of the Company was S$54.0 million based on the then offer price of S$0.18 and the outstanding 300,000,000 shares of the Company. As a result of the above offer, MBT and the parties acting in concert with it had then increased its shareholding interest in the Company from approximately 65.02% to 81.95% immediately after the close of the offer in 2012.

The present number of outstanding issued Shares is approximately half that of the number of issued shares of the Company in 2012 as a result of the Share Consolidation completed on 31 August 2015.

Additional information on the Company and the Group is set out in Section 6 and Appendix II of the Circular.

7. RATIONALE FOR THE DELISTING AND THE OFFEROR'S INTENTIONS

The full text of the rationale for the Delisting and the Offeror's intentions with respect to the Company are set out in Section 4 of the Exit Offer Letter.

We note that the Offeror's intention is to delist the Company from the SGX-ST. The Offeror is making the Exit Offer pursuant to Rule 1309 of the Listing Manual which requires a reasonable exit cash offer to be made to the Shareholders in connection with the Delisting.

In addition, if the Offeror is entitled to, it intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to acquire all the remaining Shares from Shareholders who have not accepted the Exit Offer at a price equal to the Exit Offer Price.

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires 90.0% or more of the Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Exit Offer and excluding any Shares held by the Company as treasury shares), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Exit Offer at a price equal to the Exit Offer Price.

In addition, Shareholders who have not accepted the Exit Offer have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the event that the Offeror or its nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations and/or their respective nominees, comprise 90.0% or more of the total issued Shares (excluding treasury shares). Shareholders who have not accepted the Exit Offer and who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.

In view of the MBT Undertaking, based on the holdings of Shares held by MBT as at the Latest Practicable Date, the Offeror would have secured acceptances of at least 86.89% in respect of the Exit Offer.

8. ASSESSMENT OF THE FINANCIAL TERMS OF THE EXIT OFFER

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

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

(b) Financial performance of the Group;

(c) Net asset value of the Group;

(d) Comparison with recently completed delisting and privatisation of companies listed on the SGX-ST;

(e) Comparison of valuation ratios of selected companies listed on the SGX-ST which are broadly comparable with the Group;

(f) Dividend track record of the Company; and

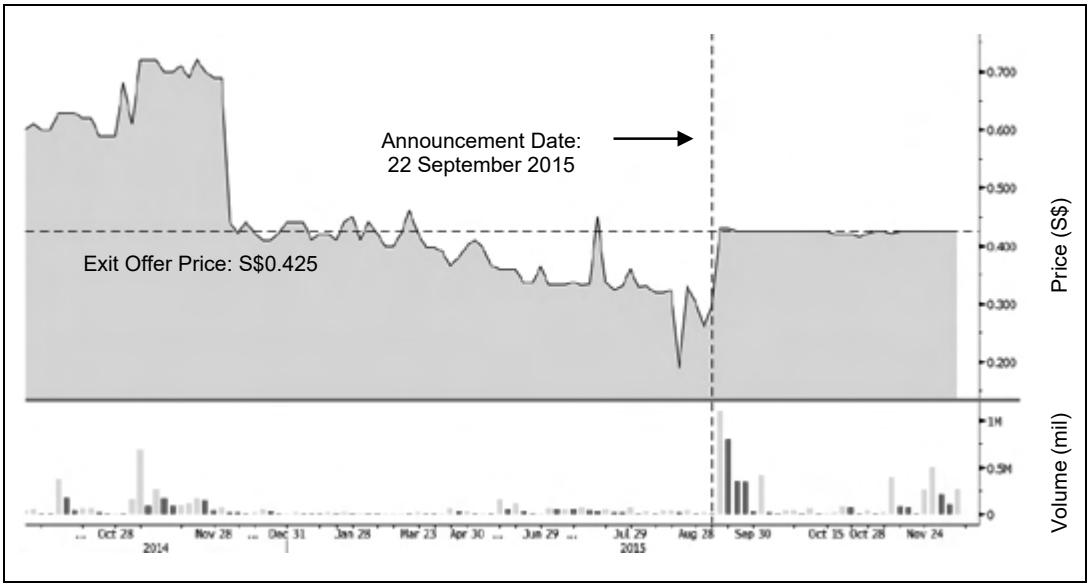
(g) Other relevant considerations in relation to the Exit Offer which may have a significant bearing on our assessment.

8.1 Market quotation and trading activity of the Shares

Share Price Chart

We have compared the Exit Offer Price against the historical market price performance of the Shares and considered the historical trading volume of the Shares from 23 September 2014, being the 1-year period prior to the release of the Announcement and up to the Latest Practicable Date:

Price movement and traded volume of the Shares from 23 September 2014 to the Latest Practicable Date



Source: *Bloomberg L.P.*

The above share price chart shows the adjusted historical share price movement after adjusting for the Share Consolidation.

The sudden share price drop in early December 2014 was due mainly to the effects of the one-off cash dividend equivalent to S$0.26 per Share. Since then, we observe that the Shares have generally trended downwards and for most of the period from April 2015 and up to the Announcement Date, the Shares have traded below the Exit Offer Price. We note that the Shares were last traded on 2 September 2015 prior to the Announcement Date as no trades were done on the Shares from 3 September to 18 September 2015 and the Shares were halted from trading on 21 and 22 September 2015 prior to the release of the Announcement. The Shares resumed trading on 23 September 2015 on heavier trading volume. Since 23 September 2015 and up to the Latest Practicable Date, the Shares have been trading at or around the Exit Offer Price.

Market Statistics

In addition to the share price chart above, we have tabulated below selected statistical information on the share price performance and trading liquidity of the Shares from 23 September 2014 (being the 1-year period prior to the release of the Announcement) and up to the Latest Practicable Date, as adjusted for the Share Consolidation.

Reference period	Highest traded price (S$)	Lowest traded price (S$)	VWAP [(1)] (S$)	Premium/ (Discount) of Exit Offer Price over/(to) VWAP (%)	Number of traded days [(2)]	Average daily trading volume[(3)] ('000)	Average daily trading volume as a percentage of free float[(4)] (%)
Prior to the Announcement							
Last 1 year	0.760	0.189	0.569	(25.3)	85	18	0.07
Last 6 months	0.450	0.189	0.338	25.7	37	10	0.04
Last 3 months	0.450	0.189	0.317	34.1	23	12	0.05
Last 1 month	0.390	0.189	0.254	67.3	5	5	0.02
2 September 2015 (being the trading day when the Shares were last transacted prior to the release of the Announcement)	0.345	0.270	0.276	53.8	1	9	0.04
After the Announcement							
From 23 September 2015 to the Latest Practicable Date	0.485	0.415	0.424	0.2	30	102	0.43
Latest Practicable Date	0.425	0.425	0.425	0.0	1	264	1.10

Source: *Bloomberg L.P.*

Notes:

(1) the volume-weighted average price ("**VWAP**") for the respective periods are calculated based on the daily VWAP turnover divided by VWAP volume as extracted from Bloomberg L.P.. Off market transactions are excluded from the calculation;

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

(3) the average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST (excluding off market transactions) during the relevant periods, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halts on the Shares) during that period; and

(4) Free float refers to the Shares other than those directly and deemed held by the Directors and substantial Shareholders of the Company. For the purpose of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 23.9 million Shares based on the free float of 15.96% of the total number of issued Shares as disclosed in the Company's annual report for the financial year ended 31 March 2015.

We observe the following with regard to the share price performance of the Company from 23 September 2014 (being the 1-year period prior to the release of the Announcement) and up to the Latest Practicable Date:

(a) Over the 1-year period prior to the release of the Announcement, the Shares had traded between a low of S$0.189 and a high of S$0.760. The Exit Offer Price represents a premium of S$0.236 (or 124.9%) above the lowest transacted price and a discount of S$0.335 (or 44.1%) to the highest transacted price of the Shares. The Shares had generally trended downwards after the effective date of the one-off cash dividend in early December 2014. For most of the time during the 6-month period prior to the Announcement, the Shares had traded below the Exit Offer Price;

(b) The Exit Offer Price represents a (discount)/premia of approximately (25.3)%, 25.7%, 34.1% and 67.3% to/above the VWAP of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the Announcement respectively;

(c) The Exit Offer Price represents a premium of approximately 41.7% above the last transacted price of the Shares of S$0.300 on 2 September 2015, being the trading day when the Shares were last traded prior to the Announcement; and

(d) Since 23 September 2015 (being the first trading day after the Announcement) and up to the Latest Practicable Date, the Shares had generally traded at or slightly below the Exit Offer Price of between S$0.415 and S$0.430, save for the first trading day on 23 September 2015, when the Share price rose to an intra-day high of S$0.485. As at the Latest Practicable Date, the Shares were last transacted at S$0.425, which is at the Exit Offer Price.

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

(i) Over the 1-year period prior to the Announcement, the Shares were thinly traded, and the Shares were traded only on about one-third of the total number of market days when the SGX-ST was open for trading. The average daily trading volume of the Shares was also low. For the 1-year, 6-month, 3-month and 1-month periods prior to the Announcement Date, the average daily trading volume of the Shares represented only 0.07%, 0.04%, 0.05% and 0.02% of the free float of the Shares for the respective periods;

(ii) Following the Announcement, the daily trading volume of the Shares increased initially for a few days. Hence, for the period from 23 September 2015 and up to the Latest Practicable Date, the average daily trading volume increased to approximately 102,000 Shares, representing 0.43% of the free float of the Shares; and

(iii) Since the Announcement and up to the Latest Practicable Date, MBT had made share purchases in the open market amounting to, in aggregate, 4,325,100 Shares, which accounted for 81.5% of the total trading volume of 5,305,400 Shares during the period.

8.2 Financial performance of the Group

We set out below a summary of the audited profit and loss statements of the Group for the financial years ended 31 March 2013 ("**FY2013**"), 31 March 2014 ("**FY2014**") and 31 March 2015 ("**FY2015**") and the unaudited interim profit and loss statements for the half year period ended 30 September 2014 ("**1H2015**") and 30 September 2015 ("**1H2016**"):

	←	Audited	→	Unaudited	
S$'000	**FY2013**	**FY2014**	**FY2015**	**1H2015**	**1H2016**
Revenue					
– Publishing	7,815	7,570	5,872	3,682	2,427
– Sales and rental of properties	2,721	18,992	12,293	10,733	1,408
Total revenue	**10,536**	**26,562**	**18,165**	**14,415**	**3,835**
Gross profit					
– Publishing	6,180	5,932	4,417	2,748	2,076
– Sales and rental of properties	2,650	4,274	4,586	2,816	1,408
Total gross profit	**8,830**	**10,206**	**9,003**	**5,564**	**3,484**
Other income	3,802	24,048	2,270	953	1,608
Expenses	(9,745)	(9,950)	(9,563)	(5,038)	(6,013)
Profit before income tax	2,887	24,304	1,710	1,479	(921)
Profit for the financial year / period attributable to owners of the parent	**2,174**	**23,048**	**1,364**	**1,108**	**(511)**

Source: *the Company's annual reports for FY2013, FY2014 and FY2015, and the Company's results announcement for 1H2016*

Review of Operating Results

FY2014 vs. FY2013

Revenue increased by S$16.02 million (or 152.1%) from S$10.54 million in FY2013 to S$26.56 million in FY2014, mainly attributable to revenue recognised under the percentage of completion method from the sale of four residential units of the Grove Residence development project amounting to S$16.25 million.

Gross profit, however, increased by only S$1.38 million (or 15.6%) from S$8.83 million to S$10.21 million due to the lower profit margin from the above sale of the development properties.

Other income increased by S$20.25 million (or 532.5%) from S$3.80 million in FY2013 to S$24.05 million in FY2014, mainly attributable to the gain on disposal of investment properties in Singapore, in relation to the disposal of several shop house units located on Tras Street for a consideration of S$26.5 million which resulted in a gain of disposal of S$19.25 million. In FY2013, the Group disposed of several light industrial factory units for a total consideration of S$16.05 million and recorded a gain of S$3.30 million.

Expenses increased marginally by S$0.20 million (or 2.1%) for FY2014 compared to FY2013.

Accordingly, due to the increase in gross profit and other income, profit for the financial year attributable to owners of the parent increased by S$20.88 million (or 960.2%) from S$2.17 million in FY2013 to S$23.05 million in FY2014.

FY2015 vs. FY2014

Revenue decreased by S$8.39 million (or 31.6%) from S$26.56 million in FY2014 to S$18.17 million in FY2015, mainly attributable to lower revenue contribution from the publishing division and lower revenue recognised under the percentage of completion method from the sale of the above-mentioned four residential units of the Grove Residence development project amounting to S$9.14 million for FY2015 as compared to S$16.2 million in FY2014.

In line with the fall in revenue, in particular the publishing division, gross profit also fell by S$1.20 million (or 11.8%) from S$10.21 million to S$9.00 million.

Other income decreased S$21.78 million (or 90.6%) from S$24.05 million in FY2014 to S$2.27 million in FY2015, mainly attributable to the absence of the significant gain from the disposal of investment properties in Singapore. Other income in FY2015 was attributable mainly to dividend income, foreign exchange gain, gain of disposal of available for sale financial assets and interest income.

Expenses decreased marginally by S$0.39 million (or 3.9%) for FY2015 compared to FY2014, mainly attributable to lower staff costs in the publishing division and other cost reduction initiatives.

Accordingly, due to the decrease in gross profit and other income, profit for the financial year attributable to owners of the parent decreased by S$21.68 million (or 94.1%) from S$23.05 million in FY2014 to S$1.36 million in FY2015.

1H2016 vs. 1H2015

Revenue decreased by S$10.58 million (or 73.4%) from S$14.42 million in 1H2015 to S$3.84 million in 1H2016, mainly attributable to lower revenue recognised under the percentage of completion method from the sale of the above-mentioned four residential units of the Grove Residence development project. In line with the fall in revenue, gross profit also fell by S$2.08 million (or 37.4%) from S$5.56 million to S$3.48 million.

Other income increased by S$0.66 million (or 68.7%) from S$0.95 million in 1H2015 to S$1.61 million in 1H2016 mainly attributable to the gain on sale of financial assets, foreign exchange gain and dividend income.

Expenses increased by $0.98 million (or 19.4%) from $5.04 million in 1H2015 to S$6.01 million in 1H2016. This is mainly attributable to an impairment charge of S$1.30 million for the remaining two unsold development units of the Grove Residence development project, based on the valuation conducted by CKS Property Consultants.

As a result of the above, the Group recorded a loss for the period of S$0.51 million in 1H2016, reversing from a profit of S$1.11 million in 1H2015.

Historical Price-earnings Ratio ("PER") implied by the Exit Offer Price

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

We note that for the period under review, the Group's publishing division has been declining in terms of revenue and gross profit, and the Group's overall financial performance can be lumpy and dependent on the sales of its development and investment properties in Singapore. In view of the recent subdued property market in Singapore, the Group's financial performance in FY2015 and 1H2016 had been relatively weaker compared to the Group's financial performance in FY2013 and FY2014.

We have evaluated the implied PER of the Group as ascribed by the Exit Offer Price based on (i) the Group's audited profit after taxation for FY2015, and (ii) the Group's trailing 12-month ("**T12M**") earnings, which takes into consideration the Group's unaudited losses for the financial period attributable to owners of the parent for 1H2016.

The Group's audited profit attributable to owners of the parent for FY2015 was S$1.36 million. However, the T12M results of the Group is a loss of S$0.255 million due to the losses incurred in 1H2016.

Based on the Exit Offer Price of S$0.425 and the 149,999,999 issued Shares as at the Latest Practicable Date, the implied market capitalisation of the Company is approximately S$63.75 million.

The Exit Offer Price thus values the Group on a PER of approximately **46.7 times** based on the Group's audited profit after taxation for FY2015. The PER computation based on the T12M results is, however, not meaningful due to the T12M losses.

8.3 Net asset value of the Group

8.3.1 A summary of the unaudited financial position of the Group as at 30 September 2015 is set out below:

S$'000	Unaudited As at 30 September 2015
Current assets	
Cash and cash equivalents	9,506
Financial assets, available-for-sale	2,001
Trade and other receivables	7,699
Development properties	11,557
Other current assets	412
Non-current assets	
Financial assets, available-for-sale	6,548
Investment properties	18,351
Property, plant and equipment	1,925
Intangible assets	1,361
Deferred tax assets	223
Club membership	56
Total assets	**59,639**
Current liabilities	
Trade and other payables	2,499
Borrowings	341
Current income tax payable	1,077
Non-current liabilities	
Borrowings	1,526
Total liabilities	**5,443**
Total equity / net asset value ("NAV")	**54,196**
Net tangible asset ("NTA") *(after deducting intangible assets)*	**52,835**
Number of Shares	**149,999,999**
NTA per Share (S$)	**0.352**

Source: *the Company's announcement on the unaudited financial results of the Group for 1H2016*

8.3.2 Analysis of the Financial Position of the Group

Overview

As at 30 September 2015, the assets of the Group of S$59.64 million comprised mainly investment properties (S$18.35 million or 30.8% of total assets), development properties (S$11.56 million or 19.4% of total assets), financial assets, available-for-sale (S$8.55 million or 14.3% of total assets), trade and other receivables (S$7.70 million or 12.9% of total assets) and cash and cash equivalents (S$9.51 million or 15.9% of total assets).

The Group's total liabilities of S$5.44 million consist of trade and other payables (S$2.50 million or 45.9% of total liabilities), borrowings (S$1.87 million or 34.3% of total liabilities) and current income tax payable (S$1.08 million or 19.8% of total liabilities).

The Group's NAV as at 30 September 2015 amounted to S$54.20 million. After deducting intangible assets of S$1.36 million, the NTA of the Group amounted to S$52.84 million, representing NTA per Share of S$0.352.

The Exit Offer Price represents a premium of 20.7% above the NTA per Share of S$0.352 as at 30 September 2015.

Investment properties

The Group had adopted the cost method for measurement of its investment properties.

Investment properties are properties held either to earn rental income or for capital appreciation or for both. They do not include properties for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purpose.

As at 30 September 2015, the Group's investment properties are as follows:

Investment Properties	Address	Description	Net book value as at 30 September 2015 (S$'million)
(i) EPL Building[(1)]	1100 Lower Delta Road, EPL Building, Singapore 169206	4-storey multi-user industrial building with mezzanine floor	2.32
(ii) Bryton House	12 Hoy Fatt Road, Bryton House Singapore 159506	6-storey light industrial factory building	12.83
(iii) Clementi West Food Court	Block 713, Clementi West Street 2, #01-115, Singapore 120713	A HDB coffee shop with living quarters on the 1st and 2nd storeys of a 10-storey commercial cum residential development. There is an outdoor refreshment area of 90.80 square metres leased from HDB.	2.41
(iv) #05-04 D'Evelyn	18 Evelyn Road, #05-04, D'Evelyn, Singapore 309307	A 1-bedroom penthouse unit with guest/study and roof terrace located on the top storey of a 5-storey block with attic within an apartment development	0.80
Total			**18.35[(2)]**

Source: *the Company*

Notes:

(1) we note that the EPL Building has total net book value of S$3.66 million as at 30 September 2015, of which S$2.32 million is classified under Investment Properties and S$1.34 million is classified under property, plant and equipment ("**PPE**"). The portion of the EPL Building held under Investment Properties is leased out to tenants and the portion held under PPE is for the Group's own use and is recognised in its books at cost less depreciation; and

(2) does not add due to rounding.

In connection with the Exit Offer, the Company had commissioned CKS Property Consultants to carry out an independent valuation of these investment properties to assess their current market values. Please see further details below on the Group's investment properties under the caption "**Revalued NTA of the Group**".

Development properties

Development properties are properties held or developed for sale in the ordinary course of business of the Group, rather than to be held for the Group's own use, rental or capital appreciation. Development properties are measured at the lower of cost and net realisable value. The Group adopts the percentage of completion method of revenue recognition for residential projects under progressive payment scheme in Singapore.

As at 30 September 2015, the Group's development properties are as follows:

Investment Properties	Address	Description	Net book value as at 30 September 2015 (S$'million)
Singapore Properties			
(i) Grove Drive Developments	87 Grove Drive, Singapore 279139; and 99 Grove Drive, Singapore 275758	Two (2) units of 2-storey semi-detached house with attic and roof terraces	11.10
Mongolian Properties			
(i) Mongolia Commercial Units	17th Khoroo, Bayangol District, 4th District, Amarsanaa Street, 28/3, Ulaanbaatar, Mongolia	Two (2) commercial spaces in the basement of a 9-storey commercial/residential building plus a basement	0.18
(ii) Mongolia Land	5th Khoroo, Bayanzurkh District, Ulaanbaatar, Mongolia	Land measuring 3,200 square meters	0.28
Total			**11.56**

Source: *the Company*

In connection with the Exit Offer, the Company had commissioned CKS Property Consultants to carry out an independent valuation of the development properties in Singapore and M.A.D. for the properties in Mongolian to assess their current market values. Please see further details below on the Group's development properties under the caption "**Revalued NTA of the Group**".

Financial assets, available for sale

These available for sale financial assets are measured at fair value.

As at 30 September 2015, the Group's available for sale financial assets amounted to S$8.55 million. They pertain mainly to the quoted securities which are listed on various stock exchanges in Singapore, Hong Kong, China, Indonesia, Malaysia and United States of America. As such, these available for sale financial assets are marked to the market prices as at the reporting date.

During the period from 30 September 2015 to the Latest Practicable Date, the Group had disposed of some of its holdings of financial assets as well as acquired additional financial assets. For the purpose of our evaluation of the Revalued NTA of the Group, we have therefore taken into consideration the following:

(i) disposals of existing quoted securities between 30 September 2015 and the Latest Practicable Date and any gain/loss arising from such sales;

(ii) purchases or distributions of additional quoted securities between 30 September 2015 and the Latest Practicable Date and how these purchases were funded; and

(iii) market prices of the outstanding quoted securities as at the Latest Practicable Date as compared to their recorded amount as at 30 September 2015.

The Management had confirmed to us the following:

(a) the Group had disposed of quoted securities amounting to total proceeds of S$2.09 million between 30 September 2015 and the Latest Practicable Date, and recorded a net gain of S$0.09 million over the book values of these quoted securities as at 30 September 2015;

(b) the Group had made cash purchases of quoted securities amounting to S$0.40 million, and was distributed quoted securities amounting to S$0.05 million (in relation to a spin-off at one of its existing holdings) between 30 September 2015 and the Latest Practicable Date. As at the Latest Practicable Date, these financial assets have, in aggregate, an unrealised gain of S$0.03 million based on the market prices of these quoted securities as at the Latest Practicable Date; and

(c) for the quoted securities which continued to be held by the Group from 30 September 2015 to the Latest Practicable Date, the Group would have an unrealised net gain of S$0.23 million based on the market prices of these quoted securities as at the Latest Practicable Date.

Based on the above, we have taken into consideration the above total net gain of S$0.35 million in respect of the above quoted securities in arriving at the Revalued NTA of the Group in Section 8.3.3 of this Letter.

Trade and other receivables

As at 30 September 2015, trade and other receivables amounted to S$7.70 million and pertain mainly to the deposits paid in relation to the purchase consideration for the Zhuhai Properties and Hengqin Properties which the Group had purchased for investment purposes. These investments are in relation to residential properties and as at the Latest Practicable Date, the relevant real estate ownership certificates or the relevant approved pre-sale authorisation have not been issued yet.

The Zhuhai Properties are in relation to two completed apartment units in Zhuhai City, Guangdong province, PRC which the Group had paid the full purchase consideration totalling RMB2.99 million.

The Hengqin Properties are in relation to six (6) apartment units in Hengqin New Area, Zhuhai City, Guangdong province, PRC, which are still under construction. The total consideration for the Hengqin Properties amount to RMB24.48 million (or an equivalent of S$5.44 million based on the exchange rate of S$1.00 : RMB4.5006 on the Announcement Date). As at 30 September 2015, the Group had paid up to 80.0% of the total consideration amounting to S$4.58 million. The construction is expected to be completed in the middle of 2017 and the remaining 20.0% amounting to RMB4.90 million will be due and payable. The purchase of the Hengqin Properties was made pursuant to pre-sale unit confirmation letter between the Group and the vendor in January 2015 without the support of the relevant commodity housing pre-sale permit or a formal commodity housing pre-sale contract endorsed by the pertinent authority in the PRC.

As at 30 September 2015, the Group's deposits paid in respect of the Zhuhai Properties and Hengqin Properties are as follows:

Properties and their respective addresses	**Description**	**Deposits paid as at 30 September 2015 (S$'million)**
Zhuhai Properties		
Unit 1501, Block 4 Royal Scenic Mountain No. 32 Jinglian Street Zhuhai City Guangdong Province The People's Republic of China	A residential flat on Level 15 of a 20-storey residential building plus two basement floors completed in 2012 with a gross floor area of approximately 97.06 square metres.	0.38
Unit 1305 Block 168, Phase 4 Huafa Century City No. 376 Changsheng Road Zhuhai City Guangdong Province The People's Republic of China	A residential flat on Level 13 of a 32-storey residential building plus one basement floor completed in 2011 with a gross floor area of approximately 89.07 square metres.	0.29
Hengqin Properties		
Six residential flats in Danyuan 2 Block 10, Leechee Bay Southern side of Gang'ao Main Road Hengqin New Area, Zhuhai City Guangdong Province The People's Republic of China	Leechee Bay is a residential project to be developed in phases. The properties comprises six residential flats on various floors of Block 10, which is to be completed in 2016. The six units have a total gross floor area of approximately 516.44 square metres.	4.58
Total		**5.25**

Source: *the Company*

In connection with the Exit Offer, the Company had commissioned Ascent Partners to carry out an independent valuation of these properties to assess their current market values. As these properties do not have the relevant ownership certificates or the relevant approved pre-sale authorisation, Ascent Partners have ascribed no commercial value and hence zero market value to these properties. However, on the assumption that the relevant approvals or certificates are duly obtained, then Ascent Partners have ascribed a market value for reference purposes.

Please see further details below on the Zhuhai Properties and Hengqin Properties under the caption "**Revalued NTA of the Group**".

8.3.3 Revalued NTA of the Group

As at 30 September 2015, the Group's NTA amounted to S$52.84 million. In arriving at the revalued NTA of the Group, we have taken into consideration the following:

(a) the valuation surplus/(deficit) arising from the independent valuation of the Group's properties; and

(b) the market value of the quoted securities held as available for sale financial assets as at the Latest Practicable Date, taking into consideration purchases and disposals between 30 September 2015 and the Latest Practicable Date.

Valuation of the Group's Properties

In connection with the Exit Offer, the Company had commissioned the Valuers to carry out a revaluation of the Group's properties. We have been furnished with the Valuation Summary Letters, copies of which are attached as Appendix VIII to the Circular.

For the Group's investment properties and development properties in Singapore, CKS Property Consultants had prepared their valuation opinion based on the Market Value of these properties at various dates between 18 August 2015 and 8 October 2015.

They have determined "Market Value" as the estimated amount for which 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 each acted knowledgeably, prudently and without compulsion.

	Properties	Valuation Methodology	Valuation Date	Valuation Amount (S$'million)
(i)	EPL Building	Market comparison and capitalisation of income approach	5 October 2015	18.00
(ii)	Bryton House	Market comparison and capitalisation of income approach	18 August 2015	26.00
(iii)	Clementi West Food Court	Market comparison approach	2 October 2015	2.50
(iv)	#05-04 D'Evelyn	Market comparison approach	8 October 2015	1.65
(v)	Grove Drive Developments	Market comparison approach	5 October 2015	11.10

For the Group's Mongolian Properties, M.A.D had prepared their valuation opinion based on the market value of these properties on 21 October 2015, with market value defined similarly as the above.

Properties	Valuation Methodology	Valuation Date	Valuation Amount (US$'million)	Valuation Amount equivalent in (S$'million)[1]
(i) Mongolia Commercial Units	Comparable method	21 October 2015	0.16	0.23
(ii) Mongolia Land	Residual method	21 October 2015	0.44	0.62

Note:

(1) based on the exchange rate of US$1.00 : S$1.4167 on the Announcement Date.

For the Group's investment in the Zhuhai Properties and Hengqin Properties, Ascent Partners had prepared their valuation opinion based on the market value of these properties on 12 October 2015 with similar definition of market value as the above. As mentioned in Section 8.3.2 of this Letter, Ascent Partners had ascribed no commercial value to these properties as the relevant real estate ownership certificates or the relevant approved pre-sale authorisation have not been obtained. However, on the assumption that the relevant approvals or certificates are duly obtained, then Ascent Partners have ascribed a market value for reference purposes.

Management had represented to us that notwithstanding the absence of the relevant approvals or certificates, the Group is able to dispose of these properties in the market, subject to the risk arising from the absence of the relevant approvals or certificates.

Hence, on a conservative basis, we have taken into consideration the market values of the Zhuhai Properties and the Hengqin Properties in computing the revalued NTA of the Group.

Properties	Valuation Date	Valuation Amount (RMB'million)	Valuation Amount equivalent in (S$'million)[1]
(i) Zhuhai Properties	12 October 2015	3.96	0.88
(ii) Hengqin Properties	12 October 2015	25.65	5.70

Note:

(1) based on the exchange rate of S$1.00 : RMB4.5006 on the Announcement Date.

In assessing the revaluation surplus arising from the fair value of the Group's properties, we have also considered whether there is any potential tax liability on the revaluation surplus which may affect the NTA per Share for the purpose of evaluating against the Exit Offer Price, especially if the properties were to be sold at the valuation amount. In a hypothetical scenario where the Group's properties are sold, the Group may incur potential tax liabilities at the relevant tax rates in the respective jurisdictions. As an illustration, the Company had informed us that the applicable corporate income tax rate for the properties in Singapore is 17.0%, the applicable corporate income tax for the Zhuhai Properties is 25.0%, for the Hengqin Properties is 12.0% and for the Mongolian Properties is 10.0%.

Management had informed us that, to the best of their knowledge and belief, in the event that any of the Group's properties are disposed of, the above tax liabilities may crystallise.

Based on Management's information on the net book values of the Group's properties as at 30 September 2015, we have computed the revaluation surplus (net of potential tax liabilities) of the Group's properties as follows:

S$'million	Net book value as at 30 September 2015	Market valuation	Revaluation surplus / (deficit)	Potential tax liabilities on revaluation surplus	Net Revaluation surplus / (deficit)
(i) EPL Building	3.66 *(2.32 + 1.34)*	18.00	14.34	(2.44)	11.90
(ii) Bryton House	12.83	26.00	13.17	(2.24)	10.93
(iii) Clementi West Food Court	2.41	2.50	0.09	(0.02)	0.07
(iv) #05-04 D'Evelyn	0.80	1.65	0.85	(0.14)	0.71
(v) Grove Drive Developments	11.10	11.10	–	–	–
(vi) Mongolia Commercial Units	0.18	0.23	0.05	(0.01)	0.04
(vii) Mongolia Land	0.28	0.62	0.34	(0.03)	0.31
(viii) Zhuhai Properties	0.67	0.88	0.21	(0.05)	0.16
(ix) Hengqin Properties	4.58	5.70	0.03[(1)]	n.m.[(2)]	0.03
Total	**36.51**	**66.68**	**29.08**	**(4.93)**	**24.15**

Notes:

(1) the revaluation surplus in relation to the Hengqin Properties is computed based on the excess of the market valuation of the Hengqin Properties over the partial consideration paid in relation to the Hengqin Properties as recorded in the balance sheet of the Group as at 30 September 2015 and the remaining consideration to be paid, computed as S$5.70 million minus S$4.58 million minus S$1.09 million, based on the exchange rate of S$1.00 : RMB4.5006 on the Announcement Date; and

(2) n.m. denotes not meaningful.

The above total net revaluation surplus on the Group's properties of S$24.15 million represents approximately S$0.161 per Share.

Financial Assets, available for sale as at the Latest Practicable Date

As at 30 September 2015, the Group has available for sale financial assets amounting to S$8.55 million. As stated in Section 8.3.2 of this Letter, after taking into consideration the purchases, distributions, disposals and market value of the holdings of the quoted securities between 30 September 2015 and the Latest Practicable Date, the net gain of S$0.35 million (before any potential tax liabilities) would have a positive effect on the Revalued NTA of the Group.

Management had informed us that, to the best of their knowledge and belief, in the event that these financial assets are realised, there may be potential tax liabilities arising from the net gain upon disposal. As such, we have applied the applicable corporate income tax rate of 17.0% in Singapore to the net gain of S$0.35 million. The revaluation surplus that would arise from the net gain on the financial assets would amount to S$0.29 million after deducting potential tax liabilities of S$0.06 million.

Revalued NTA of the Group

Based on the above, we have computed the revalued NTA of the Group as follows:

		(S$'million)
Unaudited NTA as at 30 September 2015		52.84
Add:	Revaluation surplus in relation to the Group's properties, net of potential tax liabilities	24.15
Add:	Revaluation surplus and gain on disposal from the available for sale financial assets, net of potential tax liabilities	0.29
Revalued NTA		**77.28**
Revalued NTA per Share		**S$0.515**

Price-to-NTA ("P/NTA") and Price-to-Revalued NTA ("P/RNTA") ratios of the Group implied by the Exit Offer Price

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

As the Group is asset heavy with significant holdings of properties, the NTA based valuation approach is appropriate for valuing the Group.

We have evaluated the implied P/NTA ratio of the Group as ascribed by the Exit Offer Price based on the Group's: (i) latest unaudited NTA as at 30 September 2015; and (ii) Revalued NTA as at 30 September 2015.

Based on the Exit Offer Price of S$0.425 and the 149,999,999 issued Shares as at the Latest Practicable Date, the implied market capitalisation of the Company is approximately S$63.75 million.

Based on the Group's unaudited NTA of S$52.84 million as at 30 September 2015, the Exit Offer Price values the Group on a P/NTA ratio of approximately 1.21 times, that is, the Exit Offer Price is at a premium of 20.6% above the NTA per Share.

Based on the Group's Revalued NTA of S$77.28 million as at 30 September 2015, the Exit Offer Price values the Group on a P/RNTA ratio of approximately 0.82 times, that is, the Exit Offer Price is at a discount of 17.5% to the Revalued NTA per Share.

In our evaluation of the financial terms of the Exit Offer, we have also considered whether there is any other asset which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the Group as at 30 September 2015, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NTA of the Group as at 30 September 2015.

In respect of the above, we have sought the following confirmation from the Directors and the Management, and they have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief:

(a) save as disclosed above, there are no material differences between the realisable values of the Group's assets and their respective book values as at 30 September 2015 which would have a material impact on the NTA of the Group;

(b) other than that already provided for or disclosed in the Group's financial statements as at 30 September 2015, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NTA of the Group as at the Latest Practicable Date;

(c) save as disclosed in the announcements by the Company on the SGXNET, there is no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole;

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

(e) save as disclosed above, there are no material acquisitions or disposals of assets by the Group between 30 September 2015 and the Latest Practicable Date and the Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's business.

For the avoidance of doubt, we have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, real properties) of the Group. We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on the Valuation Summary Letters for such asset appraisals and have not made any independent verification of the contents thereof.

The stated values of the Group's properties are based on the valuations performed by the Valuers. We do not assume any responsibility to inquire about the basis of such valuations or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements including Rule 26 of the Code.

8.4 Comparison with recently completed delisting and privatisation of companies listed on the SGX-ST

We note that it is the intention of the Offeror to privatise and delist the Company from the Official List of the SGX-ST. In assessing the reasonableness of the Exit Offer Price, we have compared the financial terms of the Exit Offer with those of selected successful privatisation transactions announced since January 2014 and up to the Latest Practicable Date, which were carried out either by way of voluntary delisting exit offers under Rule 1307 of the Listing Manual of the SGX-ST and the Catalist Rules, offers being made by way a scheme of arrangement under Section 210 of the Companies Act or general takeover offers under the Code where the offeror has stated its intention to delist the listed company from the SGX-ST ("**Precedent Privatisation Transactions**").

This analysis serves as a general indication of the relevant premium/(discount) that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out:

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

(b) the premium or discount represented by each of the respective offer prices to the NTA of the respective target companies. We note that certain Precedent Privatisation Transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their latest announced book values. In this respect, we have compared the offer price with the revalued NTA or adjusted NTA of the Precedent Privatisation Transactions, where applicable.

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

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

Name of company	Sector	Date of announcement	Premium/(Discount) of Offer Price over / (to): Last transacted price prior to announcement	1 month VWAP prior to announcement	3 month VWAP prior to announcement	P/NTA (times)
Singapore Land Limited	Property developer and investments in hotels and retail centres	24 Feb 14	11.2	16.9	13.9	0.7[1]
Chemoil Energy Limited	Physical supplier in the marine fuel industry	25 Feb 14	29.0	31.1	32.5	1.1
Asia Power Corporation Limited	Ownership, management and operation of power plants	24 Mar 14	–	1.2	1.4	0.6
China XLX Fertiliser Limited	Manufacturing and sale of urea, compound fertiliser and methanol in the PRC	31 Mar 14	23.1	28.9	24.8	0.8
CapitaMalls Asia Limited	Shopping mall developer	14 Apr 14	30.2	34.4	32.8	0.9[2]
ASJ Holdings Limited	Manufacturing and sale of resistors and distributors of electronic and non-electronic components	7 May 14	18.2	43.7	55.4	0.7[3]
Goodpack Limited	Intermediate bulk container solutions provider	27 May 14	23.2	30.8	31.3	3.1[15]
Lee Kim Tah Holdings Limited	Construction, property development and investments	25 Sep 14	6.4	11.8	12.3	0.9[4]
UE E&C Ltd.	Provider of integrated building solutions	3 Oct 14	(2.3)	2.7	5.0	1.2[5]
ECS Holdings Limited	Distribution of information, communications and technology products	14 Nov 14	11.5	9.0	11.5	0.7[6]
euNetworks Group Limited	Operates high capacity fibre networks, provide high capacity communications infrastructure and networking solutions and services to large corporate companies, carriers, and service providers	17 Nov 14	32.6	58.4	69.2	1.9
STATS ChipPAC Ltd.	Provider of semiconductor packaging design, bump, probe, assembly, test, and distribution services for communications, digital consumer, and computing market applications	29 Dec 14	39.0	24.5	27.6	1.9[7]
Popular Holdings Limited	Property development, retail and distribution of publishing and e-learning	14 Jan 15	39.1	39.7	37.3	1.1[8]
Keppel Land Limited	Property developer	23 Jan 15	20.0	25.0	28.8	0.7[9]
Action Asia Limited	Manufacturing and assembling of mobile audio and video entertainment products	27 Feb 15	69.6	67.6	66.7	0.8[10]
Junma Tyre Cord Company Limited	Production and sale of Nylon 6 industrial yarn and Nylon 6 dipped tyre cords	10 Mar 15	222.6[15]	162.3[15]	174.7[15]	0.9[11]
Lizhong Wheel Group Limited	Manufacturer of aluminium wheels	17 Aug 15	96.1	87.3	79.2	0.6[12]
Chosen Holdings Limited	Product design and development, mould design and fabrication, plastic injection moulding and secondary processes and final product assembly	1 Sep 15	21.0	26.0	27.0	0.8[13]

Name of company	Sector	Date of announce-ment	Premium/(Discount) of Offer Price over / (to): Last transacted price prior to announce-ment	1 month VWAP prior to announce-ment	3 month VWAP prior to announce-ment	P/NTA (times)
High			222.6	162.3	174.7	3.1
Low			(2.3)	1.2	1.4	0.6
Mean			27.5	31.7	32.8	1.0
Median			23.1	28.9	28.8	0.8
Company (implied by the Exit Offer Price)		**22 Sep 2015**	**53.8**	**67.3**	**34.7**	**1.21 (NTA)** **0.82[14] (RNTA)**

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

Notes:

(1) based on the revalued NTA per share as adjusted for the net revaluation surplus on the hotel properties of Singapore Land Limited as at 31 December 2013;

(2) based on the revalued NAV per share as adjusted for the net revaluation surplus on the properties of CapitaMalls Asia Limited as at 31 March 2014;

(3) based on the revalued NTA per share as adjusted for the net revaluation surplus on certain property, plant and equipment of ASJ Holdings Limited as at 30 April 2014;

(4) based on the revalued NAV per share as adjusted for the net revaluation surplus on the properties of Lee Kim Tah Holdings Limited as at 30 June 2014;

(5) based on the revalued NAV per share as adjusted for the change in carrying value of investments in associates and joint ventures of UE E&C Ltd. as at 30 September 2014;

(6) based on the unaudited NTA per share after deducting for intangible assets of ECS Holdings Limited as at 30 September 2014;

(7) based on the NTA per share (excluding the value of the perpetual securities which were issued in connection with the offer) of STATS ChipPAC Ltd. as at 29 March 2015;

(8) based on the revalued NAV per share as adjusted for the net revaluation surplus on the properties of Popular Holdings Limited as at 31 October 2014;

(9) based on the revalued NAV per share as adjusted for the net revaluation surplus on the properties of Keppel Land Limited as at 31 December 2014;

(10) based on the revalued NAV per share as adjusted for the net revaluation surplus on the properties of Action Asia Limited as at 31 March 2015;

(11) based on the revalued NTA per share as adjusted for the net revaluation surplus on the land use rights, property, plant and equipment of Junma Tyre Cord Company Limited as at 31 December 2014;

(12) based on the revalued NTA per share as adjusted for the net revaluation surplus on the properties of Lizhong Wheel Group Limited as at 30 June 2015;

(13) based on the revalued NAV per share as adjusted for the net revaluation surplus on certain properties of Chosen Holdings Limited as at 30 June 2015;

(14) based on the revalued NTA per share as adjusted for the net revaluation surplus on the properties of the Company and the financial assets, available-for-sale as at 30 September 2015; and

(15) excluded as statistical outlier in the mean and median computations.

Based on the above, we note that:

(a) The premia implied by the Exit Offer Price over the last transacted price, VWAP for 1-month period and 3-month period prior to the Offer Announcement Date are within the range and higher than the mean and median of the corresponding premia of the Precedent Privatisation Transactions;

(b) The P/NTA ratio of 1.21 times is within the range of the corresponding P/NTA ratios of the Precedent Privatisation Transactions and higher than the mean and the median of the corresponding P/NTA ratios of the Precedent Privatisation Transactions; and

(c) The P/RNTA ratio of 0.82 times is within the range of the corresponding P/NTA ratios of the Precedent Privatisation Transactions but lower than the mean and the median of the corresponding P/NTA ratios of the Precedent Privatisation Transactions.

Independent Shareholders should note that the above comparison with the Precedent Privatisation Transactions is purely for illustrative purposes only.

8.5 Comparison of valuation ratios of selected companies listed on the SGX-ST which are broadly comparable with the Group

For the purpose of assessing the Exit Offer Price, we have considered a comparison of valuation ratios of selected companies listed on the SGX-ST which are broadly comparable with the Group. In this regard, we have had discussions with Management on the business activities of the Group, including the types of properties which are developed and owned by the Group. We have identified listed companies that are engaged in property investment and development as the Group is asset heavy with significant holdings of investment and development properties. For a more meaningful comparison, we have considered listed companies with a market capitalisation of S$200.0 million and below as broad proxies to the Group ("**Comparable Companies**").

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

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

A brief description of the Comparable Companies, as extracted from Bloomberg L.P., is set out below:

Company name	Principal business
Heeton Holdings Limited ("**Heeton**")	Heeton develops and sells private residential properties. It also manages and invests in residential, retail, and commercial properties.
Top Global Limited ("**Top Global**")	Top Global develops real estate and offers support services. It primarily develops mixed use projects with lifestyle amenities. Top Global operates throughout Asia.
Sing Holdings Limited ("**Sing Holdings**")	Sing Holdings develops real estate. It develops residential, commercial, and industrial properties and retains a stake in certain properties.
Koh Brothers Group Limited ("**Koh Brothers**")	Koh Brothers is an investment holding company whose subsidiaries are active in construction and real estate development. It also manufactures concrete products and building materials, manages hotels, and sells and rents construction equipment. Koh Brothers distributes, designs, and fabricates equipment products for the oil and gas industry.
Goodland Group Limited ("**Goodland**")	Goodland Group develops and sells residential properties in Singapore.
TEE Land Limited ("**TEE Land**")	TEE Land is a residential and commercial property developer in Singapore. Its property development projects are pre-dominantly freehold in tenure and are targeted at middle-to-high income consumers who value exclusivity in good locations.
Pollux Properties Ltd. ("**Pollux**")	Pollux Properties Ltd. is a property developer and it focuses on the development of residential and commercial properties.

Source: *Bloomberg L.P.*

For the purpose of our evaluation and for illustration, we have made comparison between the Group and the Comparable Companies using the following bases:

(i) The historical PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern; and

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

Company name	Last financial year end	Market capitalisation as at Announcement Date (S$'million)	Historical PER[(1)] (times)	Historical P/NTA ratio[(2)] (times)
Heeton	31 Dec 2014	126.25	24.50	0.41
Top Global	31 Dec 2014	121.77	24.34	0.46
Sing Holdings	31 Dec 2014	116.29	88.03[(3)]	0.54
Koh Brothers	31 Dec 2014	107.89	3.77	0.45
Goodland	30 Sep 2014	104.67	6.27[(4)]	0.45
TEE Land	31 May 2015	91.61	8.26	0.59
Pollux	31 Mar 2015	34.49	16.29	0.71
High			88.03	0.71
Low			3.77	0.41
Mean			13.90	0.51
Median			12.27	0.46
The Company (implied by the Exit Offer Price)	**31 Mar 2015**	**63.75**	**46.7 (FY2015)** **n.m. (T12M)**	**1.21 (NTA)** **0.82 (Revalued NTA)**

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

Notes:

(1) the historical PERs of the Comparable Companies are computed based on their respective latest published full year earnings or trailing twelve months earnings, where applicable, as at the Announcement Date;

(2) the P/NTA ratios of the Comparable Companies are computed based on their respective NTA values as set out in their latest published financial statements as at the Announcement Date;

(3) excluded as statistical outlier in the mean and median computations; and

(4) adjusted for a one-off gain due to the recognition of negative goodwill arising from an acquisition of a subsidiary.

Based on the above, we note that:

(a) the historical PER of the Group is not a meaningful metric for comparison with the Comparable Companies due to the low earnings achieved by the Group for the trailing twelve month period;

(b) the P/NTA ratio of the Group of 1.21 times as implied by the Exit Offer Price is above the upper end of the range of the historical P/NTA ratios of the Comparable Companies and hence significantly higher than the mean and median P/NTA of the Comparable Companies; and

(c) the P/RNTA ratio of the Group of 0.82 times as implied by the Exit Offer Price is above the upper end of the range of the historical P/NTA ratios of the Comparable Companies and hence significantly higher than the mean and median P/NTA of the Comparable Companies.

As at the Latest Practicable Date, we have reassessed the valuation ratios of the Comparable Companies and we note that:

(a) the P/NTA ratio of the Group of 1.21 times as implied by the Exit Offer Price is still above the upper end of the range of the historical P/NTA ratios of the Comparable Companies and hence significantly higher than the mean and median P/NTA of the Comparable Companies; and

(b) the P/RNTA ratio of the Group of 0.82 times as implied by the Exit Offer Price is still above the upper end of the range of the historical P/NTA ratios of the Comparable Companies and hence significantly higher than the mean and median P/NTA of the Comparable Companies.

8.6 Dividend track record of the Company

We set out below information on the dividend per Share declared by the Company in respect of the last three financial years and up to the Latest Practicable Date:

Dividends declared	FY2013	FY2014	FY2015	HY2016
Total dividends for the period[1] (S$)	–	0.010	0.260	–
Average Share price[1][2] (S$)	0.349	0.506	0.569	0.355
Dividend yield[3] (%)	–	1.98	45.69	–

Source: *Bloomberg L.P. and the Company's annual reports and results announcement for HY2016*

Notes:

(1) adjusted for the Share Consolidation;

(2) average daily closing price of the Shares for each respective financial period; and

(3) computed based on dividends per Share divided by the average Share price.

We note that the Company had made a one-off dividend payment equivalent to S$0.26 per Share in respect of FY2015.

The Directors have confirmed that the Company does not have a fixed dividend policy and that they will recommend future dividends after taking into consideration the Company's cash and financial position, financial performance of the Group, working capital requirements, projected capital expenditure and other investment plans.

We wish to highlight that the above dividend analysis of the Company serves only as an illustrative guide and is not an indication of the Company's future dividend policy. There is no assurance that the Company will continue to pay dividends in future and/or maintain the level of dividends paid in the past periods.

8.7 Other relevant considerations in relation to the Exit Offer which may have a significant bearing on our assessment

8.7.1 No revision in Exit Offer Price

Pursuant to the Offer Document, we note that the Offeror has stated that it does not intend to revise the Exit Offer Price under any circumstances.

8.7.2 Unaudited 1H2016 results announcement

Subsequent to the Announcement Date, the Company had on 11 November 2015, released its interim financial information of the Group for 1H2016. In accordance with Rule 25 of the Code, the Company's auditor, BDO LLP ("**BDO**"), had prepared a report in respect of the Group's 1H2016 financial information and had opined that, nothing had come to their attention that caused them to believe that the interim financial information for 1H2016 were not prepared, in all material respects, in accordance with FRS34, 'Interim Financial Reporting'.

On our part, in accordance with Rule 25 of the Code, we are of the view that the Group's interim financial information for 1H2016 had been prepared after due and careful enquiry by the Directors. Please refer to the letter from BDO and our letter on the 1H2016 results as set out in Appendices V and VI respectively to the Circular.

We wish to highlight the following commentary made by the Company on the Group's business environment in its 1H2016 results:

*"The Group expects the Singapore property market to remain subdued as the impact of prevailing cooling measures, including but not limiting to the Total Debt Servicing Ratio ("**TDSR**") and concerns over interest rate hikes that continue to weigh on the market. Singapore real estate may remain challenging in the foreseeable future, the Group is diversifying its risks by seeking new opportunities to capitalise on growth sectors in both local and overseas markets. External headwinds and continued uncertainties in global economic conditions result in challenging market conditions for both the property and publishing sectors."*

8.7.3 Likelihood of competing offers is remote

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

In addition, in view of the MBT Undertaking to procure MBT to accept the Exit Offer in respect of all its Shares, which, as at the Latest Practicable Date, amounted to 130,329,862 Shares representing approximately 86.89% of the total number of issued Shares, the likelihood of a competing offer from any third party is remote.

8.7.4 Approval for Delisting Resolution

The Delisting Resolution needs to be approved by at least 75.0% of the total number of Shares held by Shareholders present and voting, on a poll, at the EGM and not voted against by 10.0% or more of the total number of Shares held by such Shareholders, on a poll, at the said EGM.

In view of the MBT Undertaking, the Company would have the achieved the requisite minimum 75.0% votes to approve the Delisting Resolution.

8.7.5 Director's intention with regard to his Shares

As disclosed in Section 5.2 in Appendix II to the Circular, the Director, Mr Nicholas Jeyaraj s/o Narayanan, who owns 60,000 Shares, has expressed his intention to accept the Exit Offer in respect of all his Shares.

8.7.6 Compulsory acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires 90.0% or more of the Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Exit Offer and excluding any Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Exit Offer at a price equal to the Exit Offer Price.

The Offeror has expressed that it intends to make the Company its wholly-owned subsidiary and also intends to, when entitled, to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.

It should be noted that Shareholders who have not accepted the Exit Offer would have a corresponding right, under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Exit Offer Price by serving notice requiring the Offeror to do so, in the event that the Shares acquired by the Offeror pursuant to the Exit Offer, together with any other Shares held by the Offeror, its related corporations or their respective nominees, comprise 90.0% or more of the total number of issued Shares (excluding treasury shares).

Shareholders who have not accepted the Exit Offer and who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.

8.7.7 Implications to Shareholders holding on to delisted Shares

Shareholders should note that shares of unquoted companies are generally valued at a discount to the shares of comparable listed companies as a result of the lack of liquidity and marketability. **If the Company is delisted from the Official List of the SGX-ST, Shareholders who have not accepted the Exit Offer may face difficulties if they wish to sell their Shares in the absence of a public market for the Shares as there is no arrangement for Shareholders to exit. 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 duties.

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 unquoted company, the Company will no longer be obliged to comply with the listing requirements of the SGX-ST, in particular the continuing corporate disclosure requirements under Chapter 7 and Appendices 7.1 to 7.4 of the Listing Manual. Nonetheless, as a company incorporated in Singapore, the Company will still need to comply with the Companies Act and its memorandum and articles of association 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 its memorandum and articles of association including, *inter alia*, the entitlement to be sent a copy of the profit and loss accounts and balance sheet at least 14 days before each annual general meeting, at which the accounts will be presented.

If the Company is delisted from the Official List of the SGX-ST, each Shareholder who holds Shares that are deposited with CDP and has not accepted the Exit Offer will be entitled to one share certificate representing his delisted Shares. The Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., will arrange to forward the share certificates to such Shareholders (who are not CPFIS Investors), by ordinary post and at the Shareholders' own risk, to their respective addresses as they appear in the records of CDP for their physical safekeeping. The share certificates belonging to CPFIS Investors who have not accepted the Exit Offer will be forwarded to their respective CPF Agent Banks for their safe keeping.

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

In the event the requirements of Delisting under Rules 1307 and 1309 of the Listing Manual are met but the Offeror is not entitled to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, the Company will be delisted, and Shareholders who have not accepted the Exit Offer will continue to hold their Shares with the Company as an unlisted company.

9. OUR RECOMMENDATION TO THE INDEPENDENT DIRECTORS ON THE EXIT OFFER

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

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

(b) Financial performance of the Group;

(c) Net asset value of the Group;

(d) Comparison with recently completed delisting and privatisation of companies listed on the SGX-ST;

(e) Comparison of valuation ratios of selected companies listed on the SGX-ST which are broadly comparable with the Group;

(f) Dividend track record of the Company; and

(g) Other relevant considerations in relation to the Exit Offer which may have a significant bearing on our assessment.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the financial terms of the Offer are fair and reasonable and not prejudicial to the interests of the Shareholders. Accordingly, we advise the Independent Directors to make the following recommendations to the Shareholders:

(A) vote in favour of the Delisting Resolution at the EGM; and

(B) in the event that the Delisting Resolution is passed, Shareholders who are not prepared to accept the implications and consequences of holding Shares in an unlisted company should either:

(i) ACCEPT the Exit Offer; or

(ii) SELL their Shares in the open market if they can obtain a price equal to or higher than the Exit Offer Price (after deducting transaction costs) before the Shares are suspended from trading or delisted from the SGX. Shareholders should note that there is no assurance that the market prices and trading volumes of the Shares will be maintained at current levels prevailing as at the Latest Practicable Date; or

(iii) if they are so entitled, exercise their rights to require the Offeror to acquire their Shares under Section 215(3) of the Companies Act. Shareholders who decide to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent advice.

In rendering the above advice, we have not given regard to any general or specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints or other particular circumstances of any individual Shareholder. As each individual Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his stockbroker, bank manager, accountant, legal, financial, tax or other professional adviser immediately. The Independent Directors should advise Shareholders that the opinion and advice of Provenance Capital should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Exit Offer, as the case may be.

Our recommendation is addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the Exit Offer, as the case may be, and may not be used or relied on for any other purposes (other than for the purpose of the Exit Offer) without the prior written consent of Provenance Capital. The recommendation to be made by the Independent Directors to Shareholders in respect of the Exit Offer, as the case may be, shall remain the sole responsibility of the Independent Directors.

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

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

Wong Bee Eng
Chief Executive Officer

Our Ref : 15/P96156/GC/CL/PL

09 November 2015

CKS
PROPERTY CONSULTANTS

The Directors
c/o Mr Lum Kum Kuen
Eastern Holdings Limited
1100 Lower Delta Road
#02-01 EPL Building
Singapore 169206

Dear Sirs

VALUATION REPORT OF 12 HOY FATT ROAD BRYTON HOUSE SINGAPORE 159506

1.0 Instructions

We refer to instructions issued by Eastern Holdings Limited requesting formal valuation advice in respect of the above mentioned property for delisting purposes. We have specifically been instructed to provide our opinion of Market Value of the remaining leasehold interest in the Property.

We have prepared our report in accordance with the requirements of your instructions and the following international definition of "Market Value", namely:

"Market Value is the estimated amount for which 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 each acted knowledgeably, prudently and without compulsion".

and also on the following basis:

"the price at which the property might reasonably be expected to be sold at the date of the valuation assuming:

i. a willing, but not anxious, buyer and seller; and
ii. a reasonable period within which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind; and
iii. that the property will be reasonably exposed to the market; and
iv. that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and
v. that the seller has sufficient resources to allow a reasonable period for the exposure of the property for sale; and
vi. that the seller has sufficient resources to negotiate an agreement for the sale of the property."

In adopting this definition of Market Value, we are of the opinion that it is consistent with the international definition of Market Value as advocated by the Royal Institute of Chartered Surveyors (RICS) and The Singapore Institute of Surveyors and Valuers (SISV).

Qualifications and Assumptions

Where the information provided in the report has been supplied to the valuer by another party, this information is believed to be reliable.

2.0 Purpose of Valuation

To determine the market value of the subject property as at 18 August 2015

3.0 Date of Inspection

18 August 2015

4.0 Title & Tenure

Legal Description

Lot 3868L Mukim 1

Tenure

Leasehold 99 years commencing from 01 January 1958 (Balance lease term is approximately 42 years)

Land Area

1,879.5 sq.m.

Remarks

No title searches have been conducted for the subject property. We recommend that all legal encumbrances be confirmed through your solicitors.

5.0 Town Planning

Master Plan (2014) Zoning

Business 1 with a plot ratio of 2.5

6.0 Location

The subject property, Bryton House, is located along Hoy Fatt Road, off Jalan Bukit Merah/Leng Kee Road.

The immediate vicinity comprises motorcar showrooms/workshops industrial buildings, condominium/apartment developments and HDB flats within Lengkok Bahru/Redhill Estate. Prominent developments nearby include Shriro House, Pacific Tech Centre, E-Centre@Redhill and Thye Hong Industrial Centre.

Public transportation is available along Hoy Fatt Road, Jalan Bukit Merah and Leng Kee Road. Access to other parts of the island is enhanced via the proximity of Ayer Rajah Expressway (AYE). The Redhill MRT Station is located nearby.

7.0 Subject Site

Shape

Quadrant

Contour

Generally flat and access is at / below road level

8.0 Subject Building

Type of Property

The subject property comprises a 6-storey light industrial factory building.

Condition

Good

Total Gross Floor Area

5,225.6 sq.m. approximately (according to information extracted from the architectural plans provided)

Construction

The building is constructed of reinforced concrete structure and floors, brick infill walls/glass claddings and reinforced flat roof.

Other Improvements

Tarmacadam driveway / carpark at 1st storey / carpark barrier system / 1 passenger lift / 1 service lift / 2 staircases / guardhouse / brickwall/chain-linked perimeter fencing / turfing

Fire Protection

The building is fitted with fire hose reels, fire alarm system and fire extinguishers.

Tenancy Details

The building is part owner-occupied/part tenanted/part vacant. The tenancy schedules are as follows:

Unit No	Company/Tenant's Name	Lease Period	Rental Per Month(S$)
#02-01	Ace Aspire Pte Ltd	19.10.15 – 18.10.18	35,000.00
#04-01	Bellator Consulting Pte Ltd	05.05.14 – 04.05.16	15,000.00
#04-02	Pantechnik Asia Pte Ltd	10.03.15 – 09.03.18	3,773.00
#04-03	Integrated Health Plans Pte Ltd	15.06.15 – 14.06.17	7,750.00
#05-01/#06-01	Selfstore(HF) Pte Ltd	01.07.14 – 30.06.19	15,267.60

9.0 Accommodation, Finishes & Fittings

Accommodation

1st Storey

Carparking lots

2nd Storey

Showroom / general production area / male/female/handicapped toilets

3rd Storey

General office area / partitioned rooms / male/female/handicapped toilets

4th Storey

General office areas / male/female/handicapped toilets

5th Storey

General production area / SelfStore facilities / male/female/handicapped toilets

6th Storey

Reception area / SelfStore facilities / partitioned rooms / pantry / male/female/handicapped toilets

Finishes

Floor

Granite / homogeneous / carpet / epoxy / vinyl / cement-sand screed generally

Walls

Plaster and paint / granite / homogeneous / glass panels / dry wall partitions generally

Ceiling

Plaster and paint / false ceiling / ceiling board / recessed lights / downlights generally

Fittings

Centralised air-conditioning system / split-unit air-conditioners / reception counter / cabinets / high and low level pantry cabinets with sink/breakfast table / vanity tops / fire protection system generally

10.0 Annual Value

S$30,200

11.0 Structural Survey of Building

We have not been instructed to conduct a structural survey of the subject property. For the purpose of this valuation, the subject property is assumed to be in sound structural condition.

12.0 Valuation Approaches

In arriving at our opinion of value, we have utilised Market Comparison Approach and Capitalisation of Income Comparison Approach in undertaking our assessment for the Property.

Market Comparison Approach

We have adopted the Market Comparison Method of Valuation in formulating our opinion on the market value of the subject property. In adopting the approach, we have taken into cognizance transactions of comparables properties, the prevailing market condition and underlying economic factors which may influence the trend of the market prices.

Capitalisation of Income Approach

We have also utilised the traditional income approach in which the sustainable net income has been estimated having regard to the current passing rental income and potential future income. The net income is then capitalised over the remaining leasehold tenure to arrive at a capital value. The yield adopted reflects the key attributes of the property, the profile of the tenants and the prevailing market conditions.

13.0 Limiting Conditions

This report is subject to the limiting conditions enclosed.

14.0 Opinion of Value(s) as at 18 August 2015 For 12 HOY FATT ROAD BRYTON HOUSE SINGAPORE 159506

Market Value	:	S$26,000,000 (Singapore Dollars Twenty Six Million Only)

Yours Sincerely,

CKS PROPERTY CONSULTANTS PTE LTD

CKS Property Consultants Pte Ltd

CKS Property Consultants Pte Ltd

15/P96156/GC/CL/PL

Our Ref : 15/P96130/GC/LY/PL

09 November 2015

CKS
PROPERTY CONSULTANTS

The Directors
c/o Mr. Lum Kum Kuen
Eastern Holdings Limited
1100 Lower Delta Road
#02-01 EPL Building
Singapore 169206

Dear Sirs

VALUATION REPORT OF 1100 LOWER DELTA ROAD EPL BUILDING SINGAPORE 169206

1.0 Instructions

We refer to instructions issued by Eastern Holdings Limited requesting formal valuation advice in respect of the above mentioned property for delisting purposes. We have specifically been instructed to provide our opinion of Market Value of the remaining leasehold interest in the Property.

We have prepared our report in accordance with the requirements of your instructions and the following international definition of "Market Value", namely:

"Market Value is the estimated amount for which 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 each acted knowledgeably, prudently and without compulsion".

and also on the following basis:

"the price at which the property might reasonably be expected to be sold at the date of the valuation assuming:

i. a willing, but not anxious, buyer and seller; and

ii. a reasonable period within which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind; and

iii. that the property will be reasonably exposed to the market; and

iv. that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and

v. that the seller has sufficient resources to allow a reasonable period for the exposure of the property for sale; and

vi. that the seller has sufficient resources to negotiate an agreement for the sale of the property."

In adopting this definition of Market Value, we are of the opinion that it is consistent with the international definition of Market Value as advocated by the Royal Institute of Chartered Surveyors (RICS) and The Singapore Institute of Surveyors and Valuers (SISV).

Qualifications and Assumptions

Where the information provided in the report has been supplied to the valuer by another party, this information is believed to be reliable.

2.0 Purpose of Valuation

To determine the market value of the subject property as at 05 October 2015

3.0 Date of Inspection

05 October 2015

4.0 Title & Tenure

Legal Description

Lot 1136M Mukim 1

Tenure

Leasehold 60 years commencing from 01 August 1969 (Balance lease term is approximately 14 years)

Land Area

4,515 sq.m.

Remarks

No title searches have been conducted for the subject property. We recommend that all legal encumbrances be confirmed through your solicitors.

5.0 Town Planning

Master Plan (2014) Zoning

Business 1 with a plot ratio of 2.5

6.0 Location

The subject property is located off Lower Delta Road, near its intersection with Jalan Bukit Merah and Lower Delta Road.

The immediate vicinity comprises light industrial/factory buildings and HDB flats within the Bukit Merah HDB Estate. Prominent developments nearby include Cendex Centre, Henderson Industrial Park, Henderson Building and Motorway Building

Retail shopping, eating places and other amenities are available at Bukit Merah Central.

Public transportation is available along Lower Delta Road and Jalan Bukit Merah. Access to other parts of the island is enhanced via the proximity of Ayer Rajah Expressway (AYE). The Tiong Bahru MRT Station is located nearby.

7.0 Subject Site

Shape

Near rectangular

Contour

Generally flat and access is at road level

8.0 Subject Building

Type of Property

The subject property comprises a 4-storey multi-user industrial building with mezzanine floor.

Condition

Good

Total Gross Floor Area

8,895 sq.m. (As furnished by client)

Construction

The building is constructed of reinforced concrete structure with brick infill walls/ reinforced concrete walls and reinforced concrete flat roof. Fenestration comprises aluminum framed glass/casement windows and timber/glass doors generally.

Other Improvements

Tarmacaden driveway / metal grilles atop brickwall/chain-linked boundary fencing / surface carpark lots / loading and unloading area / 1 passenger lift (13 passengers or 900 kilograms) / 1 cargo lift (3 tonnes) / guard house

Fire Protection

The building is fitted with fire hose reels, fire alarm system and fire extinguishers.

Tenancy Details

The building is part owner-occupied/part tenanted/part vacant. The tenancy schedules are as follows:

Unit No	Company/ Tenant's Name	Lease Period	Rental Per Month (S$)
#01-01	Toku-E Biotech Laboratory Pte Ltd	01.03.14 - 29.02.16	13,800
#01-02	Psgourmet Pte Ltd	15.07.14 - 14.07.16	23,040
#01-02A	Techtel (S.E.Asia) Pte Ltd	15.02.14 - 14.02.16	6,710
#01-03	Carpenter Workz Pte Ltd	01.04.15 - 31.03.17	11,840
#02-03	Belgarath Investments Pte Ltd	25.08.14 - 24.08.16	8,410
#02-04	Simpleshow Asia Pte Ltd	01.12.14 - 30.11.15	6,600
#02-04A	SC-Ping Pte Ltd	01.03.14 - 29.02.16	4,505
#03-01	Haosheng Industry (Singapore) Pte Ltd	07.07.14 - 06.07.16	9,000
#03-02	Ndh Singapore Pte. Ltd.	01.08.15 - 31.07.18	10,000
#03-03	Extend Sg Network Pte Ltd	23.03.15 - 22.03.17	8,250
#03-04	Yi Zhan Construction	01.01.14 - 31.12.15	4,930
#03-05	Rarities International Pte Ltd	24.04.15 - 23.04.16	3,200
#03-05A	Seo Agency Pte Ltd	01.06.15 - 31.05.17	7,100
#04-01	Selfstore Pte Ltd	01.05.14 - 30.04.16	43,200
Total			160,585

9.0 Accommodation, Finishes & Fittings

Accommodation

As shown on floor plans

Existing finishes

Floor

Carpet / ceramic / epoxy / homogeneous / laminated timber / cement sand screed generally

Walls

Plaster and paint / homogeneous / wallpaper / drywall partition / glass panels generally

Ceiling

Plaster and paint / false ceiling / ceiling boards / recessed lights / downlights generally

Fittings

Ceiling mounted cassette-unit air-conditioners / split-unit air-conditioners / wall fans / reception counters / cabinets / high and low level pantry cabinets / homogeneous-tiled vanity tops / surveillance cameras generally

10.0 Structural Survey of Building

We have not been instructed to conduct a structural survey of the subject property. For the purpose of this valuation, the subject property is assumed to be in sound structural condition.

11.0 Valuation Approaches

In arriving at our opinion of value, we have utilised Market Comparison Approach and Capitalisation of Income Comparison Approach in undertaking our assessment for the Property.

Market Comparison Approach

We have adopted the Market Comparison Method of Valuation in formulating our opinion on the market value of the subject property. In adopting the approach, we have taken into cognizance transactions of comparables properties, the prevailing market condition and underlying economic factors which may influence the trend of the market prices.

Capitalisation of Income Approach

We have also utilised the traditional income approach in which the sustainable net income has been estimated having regard to the current passing rental income and potential future income. The net income is then capitalised over the remaining leasehold tenure to arrive at a capital value. The yield adopted reflects the key attributes of the property, the profile of the tenants and the prevailing market conditions.

12.0 Limiting Conditions

This report is subject to the limiting conditions enclosed.

13.0 Opinion Of Value(s) as at 05 October 2015 For 1100 LOWER DELTA ROAD SINGAPORE 169206

Market Value : S$18,000,000
(Singapore Dollars Eighteen Million Only)

Yours Sincerely,

CKS Property Consultants Pte Ltd

CKS Property Consultants Pte Ltd

15/P96130/GC/LY/PL

Our Ref : 15/P96129/CL/WY/PL

09 November 2015

CKS
PROPERTY CONSULTANTS

The Directors
c/o Mr Lum Kum Kuen
Eastern Holdings Limited
1100 Lower Delta Road
#02-01 EPL Building
Singapore 169206

Dear Sirs

VALUATION REPORT OF 99 GROVE DRIVE SINGAPORE 275758

1.0 Instructions

We refer to instructions issued by Eastern Holdings Limited requesting formal valuation advice in respect of the above mentioned property for delisting purposes. We have specifically been instructed to provide our opinion of Market Value of the Property.

We have prepared our report in accordance with the requirements of your instructions and the following international definition of "Market Value", namely:

"Market Value is the estimated amount for which 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 each acted knowledgeably, prudently and without compulsion".

and also on the following basis:

"the price at which the property might reasonably be expected to be sold at the date of the valuation assuming:

i. a willing, but not anxious, buyer and seller; and

ii. a reasonable period within which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind; and

iii. that the property will be reasonably exposed to the market; and

iv. that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and

v. that the seller has sufficient resources to allow a reasonable period for the exposure of the property for sale; and

vi. that the seller has sufficient resources to negotiate an agreement for the sale of the property."

In adopting this definition of Market Value, we are of the opinion that it is consistent with the international definition of Market Value as advocated by the Royal Institute of Chartered Surveyors (RICS) and The Singapore Institute of Surveyors and Valuers (SISV).

Qualifications and Assumptions

Where the information provided in the report has been supplied to the valuer by another party, this information is believed to be reliable.

2.0 Purpose of Valuation

To determine the market value of the subject property as at 05 October 2015

3.0 Date of Inspection

05 October 2015

4.0 Title & Tenure

Legal Description

MK4-7100X

Tenure

Estate in Perpetuity

Land Area

232.9 sq.m.

Remarks

No title searches have been conducted for the subject property. We recommend that all legal encumbrances be confirmed through your solicitors.

5.0 Town Planning

Master Plan (2014) Zoning

Residential

6.0 Location

The subject property is located at a cul-de-sac at Grove Drive, off Mount Sinai Road/Holland Road.

The immediate vicinity is residential in nature, comprising mixed landed housing and apartment/condominium developments. Prominent developments nearby include Greentrees, The Marbella, Ridgewood Condominium and The Trizon.

Retail facilities, eating establishments and other amenities are readily available within Ghim Moh HDB Estate, Cote Storage Jelita Shopping Centre and Holland Village. Established educational institutions nearby include Henry Park Primary School and Singapore Polytechnic.

Public transportation is available along Mount Sinai Road, Holland Road and Commonwealth Avenue West. The Dover MRT Station and Buona Vista MRT Station are located nearby.

7.0 Subject Site

Shape

Almost trapezium in shape

Contour

Generally flat and above access road level

8.0 Subject Property

Type of Property

A 2-storey semi-detached house with attic and roof terraces

Year of Completion

Circa 2015

Condition

Brand New

Occupancy Details

Vacant

Orientation

Main entrance faces south-west

Floor Area

331 sq.m. approximately (including covered carporch/terrace/roof terraces/balconies, as measured on site and subject to final survey

Construction

The building is constructed of reinforced concrete structure, plastered brickwalls and tiled pitch roof.

Other Improvements

Homogeneous-tiled driveway/covered carporch / brickwall perimeter fencing / remote controlled metal framed timber entrance gate

9.0 Accommodation, Finishes & Fittings

Accommodation

As shown on floor plans

Finishes

Floors

Marble / homogeneous / timber strips generally

Walls

Plaster and paint / marble / homogeneous generally

Ceiling

Plaster and paint / false ceiling / downlights generally

Fittings

Concealed-ducted air-conditioning system / split-unit air-conditioners / wardrobes / high and low level kitchen cabinets with cooker hob/hood/oven/sink / cabinets / vanity tops with undercounter cabinets / shower screens / long bath generally

10.0 Structural Survey of Building

We have not been instructed to conduct a structural survey of the subject property. For the purpose of this valuation, the subject property is assumed to be in sound structural condition.

11.0 Valuation Approaches

Market Comparison Approach

We have adopted the Market Comparison Method of Valuation in formulating our opinion on the market value of the subject property. In adopting the approach, we have taken into cognizance transactions of comparables properties, the prevailing market condition and underlying economic factors which may influence the trend of the market prices.

12.0 Limiting Conditions

This report is subject to the limiting conditions enclosed.

13.0 Opinion Of Value(s) as at 05 October 2015 For 99 GROVE DRIVE SINGAPORE 275758

Market Value : S$5,000,000
(Singapore Dollars Five Million Only)

Yours Sincerely,

CKS PROPERTY CONSULTANTS PTE LTD

CKS Property Consultants Pte Ltd

CKS Property Consultants Pte Ltd

15/P96129/CL/WY/PL

Our Ref : 15/P96128/CL/WY/PL

09 November 2015

CKS
PROPERTY CONSULTANTS

The Directors
c/o Mr Lum Kum Kuen
Eastern Holdings Limited
1100 Lower Delta Road
#02-01 EPL Building
Singapore 169206

Dear Sirs

VALUATION REPORT OF 87 GROVE DRIVE SINGAPORE 279139

1.0 Instructions

We refer to instructions issued by Eastern Holdings Limited requesting formal valuation advice in respect of the above mentioned property for delisting purposes. We have specifically been instructed to provide our opinion of Market Value of the Property.

We have prepared our report in accordance with the requirements of your instructions and the following international definition of "Market Value", namely:

"Market Value is the estimated amount for which 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 each acted knowledgeably, prudently and without compulsion".

and also on the following basis:

"the price at which the property might reasonably be expected to be sold at the date of the valuation assuming:

i. a willing, but not anxious, buyer and seller; and

ii. a reasonable period within which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind; and

iii. that the property will be reasonably exposed to the market; and

iv. that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and

v. that the seller has sufficient resources to allow a reasonable period for the exposure of the property for sale; and

vi. that the seller has sufficient resources to negotiate an agreement for the sale of the property."

In adopting this definition of Market Value, we are of the opinion that it is consistent with the international definition of Market Value as advocated by the Royal Institute of Chartered Surveyors (RICS) and The Singapore Institute of Surveyors and Valuers (SISV).

Qualifications and Assumptions

Where the information provided in the report has been supplied to the valuer by another party, this information is believed to be reliable.

2.0 Purpose of Valuation

To determine the market value of the subject property as at 05 October 2015

3.0 Date of Inspection

05 October 2015

4.0 Title & Tenure

Legal Description

MK4-7098A

Tenure

Estate in Perpetuity

Land Area

290.4 sq.m.

Remarks

No title searches have been conducted for the subject property. We recommend that all legal encumbrances be confirmed through your solicitors.

5.0 Town Planning

Master Plan (2014) Zoning

Residential

6.0 Location

The subject property is located at a cul-de-sac at Grove Drive, off Mount Sinai Road/Holland Road.

The immediate vicinity is residential in nature, comprising mixed landed housing and apartment/condominium developments. Prominent developments nearby include Glentrees, The Marbella, Ridgewood Condominium and The Trizon.

Retail facilities, eating establishments and other amenities are readily available within Ghim Moh HDB Estate, Cold Storage Jelita Shopping Centre and Holland Village. Established educational institutions nearby include Henry Park Primary School and Singapore Polytechnic.

Public transportation is available along Mount Sinai Road, Holland Road and Commonwealth Avenue West. The Dover MRT Station and Buona Vista MRT Station are located nearby.

7.0 Subject Site

Shape

Almost trapezium in shape

Contour

Generally flat and above access road level

8.0 Subject Property

Type of Property

A 2-storey semi-detached house with attic and roof terrace

Year of Completion

Circa 2015

Condition

Brand New

Occupancy Details

Vacant

Orientation

Main entrance faces south-east

Floor Area

409 sq.m. approximately (including covered carporch/roof terrace/balcony, as measured on site and subject to final survey

Construction

The building is constructed of reinforced concrete structure, plastered brickwalls and tiled pitch roof.

Other Improvements

Homogeneous-tiled driveway/covered carporch / brickwall perimeter fencing / remote controlled metal framed timber entrance gate / metal rear gate / turfing

9.0 Accommodation, Finishes & Fittings

Accommodation

As shown on floor plans

Finishes

Floors

Marble / homogeneous / timber strips / ceramic generally

Walls

Plaster and paint / marble / homogeneous / ceramic generally

Ceiling

Plaster and paint / false ceiling / downlights generally

Fittings

Concealed-ducted air-conditioning system / split-unit air-conditioners / wardrobes / high and low level kitchen cabinets with cooker hob/hood/oven/sink / cabinets / vanity tops with undercounter cabinets / shower screens / long bath generally

10.0 Structural Survey of Building

We have not been instructed to conduct a structural survey of the subject property. For the purpose of this valuation, the subject property is assumed to be in sound structural condition.

11.0 Valuation Approaches

Market Comparison Approach

We have adopted the Market Comparison Method of Valuation in formulating our opinion on the market value of the subject property. In adopting the approach, we have taken into cognizance transactions of comparables properties, the prevailing market condition and underlying economic factors which may influence the trend of the market prices.

12.0 Limiting Conditions

This report is subject to the limiting conditions enclosed.

13.0 Opinion Of Value(s) as at 05 October 2015 For 87 GROVE DRIVE SINGAPORE 279139

Market Value : S$6,100,000
(Singapore Dollars Six Million One Hundred Thousand Only)

Yours Sincerely,

CKS PROPERTY CONSULTANTS PTE LTD

CKS Property Consultants Pte Ltd

CKS Property Consultants Pte Ltd

15/P96128/CL/WY/PL

Our Ref : 15/P96127/GC/CL/PL

09 November 2015

CKS
PROPERTY CONSULTANTS

The Directors
c/o Mr Lum Kum Kuen
Eastern Holdings Limited
1100 Lower Delta Road
#02-01 EPL Building
Singapore 169206

Dear Sirs

VALUATION REPORT OF BLOCK 713 CLEMENTI WEST STREET 2 #01-115 SINGAPORE 120713

1.0 Instructions

We refer to instructions issued by Eastern Holdings Limited requesting formal valuation advice in respect of the above mentioned property for delisting purposes. We have specifically been instructed to provide our opinion of Market Value of the remaining leasehold interest in the Property.

We have prepared our report in accordance with the requirements of your instructions and the following international definition of "Market Value", namely:

"Market Value is the estimated amount for which 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 each acted knowledgeably, prudently and without compulsion".

and also on the following basis:

"the price at which the property might reasonably be expected to be sold at the date of the valuation assuming:

i. a willing, but not anxious, buyer and seller; and

ii. a reasonable period within which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind; and

iii. that the property will be reasonably exposed to the market; and

iv. that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and

v. that the seller has sufficient resources to allow a reasonable period for the exposure of the property for sale; and

vi. that the seller has sufficient resources to negotiate an agreement for the sale of the property."

In adopting this definition of Market Value, we are of the opinion that it is consistent with the international definition of Market Value as advocated by the Royal Institute of Chartered Surveyors (RICS) and The Singapore Institute of Surveyors and Valuers (SISV).

Qualifications and Assumptions

Where the information provided in the report has been supplied to the valuer by another party, this information is believed to be reliable.

2.0 Purpose of Valuation

To determine the market value of the subject property as at 02 October 2015

3.0 Date of Inspection

02 October 2015

4.0 Title & Tenure

Legal Description

Lot U43847X Mukim 5

Tenure

Leasehold 30 years commencing from 01 August 2001 (Balance lease term is approximately 16 years)

Strata Area

Trading Area	312 sq.m.
Living Quarters	67 sq.m.
Total	379 sq.m.

Remarks

No title searches have been conducted for the subject property. We recommend that all legal encumbrances be confirmed through your solicitors.

5.0 Town Planning

Master Plan (2014) Zoning

Residential

6.0 Location

The subject property is located at Clementi West Street 2, off West Coast Road.

The vicinity comprises HDB flats within the Clementi HDB estate. Prominent developments nearby include Clementi Stadium and West Coast Plaza. Educational institutions such as National University of Singapore, Tanglin Secondary School, Clementi Woods Secondary School and Kent Ridge Secondary School are located nearby.

Easting establishments, shopping facilities and other amenities are available in the immediate vicinity and at Clementi Town Centre.

Public transportation is available along Clementi West Street 2 and West Coast Road. Access to other parts of the island is enhanced via the proximity to Ayer Rajah Expressway (AYE). The Clementi MRT Station is located nearby.

7.0 Subject Property

Type of Property

A HDB coffeeshop with living quarters located on the 1st and 2nd storeys of a 10-storey commercial-cum-residential development. There is an outdoor refreshment area of 90.80 sq.m. leased from HDB.

Condition

Average

Tenancy Details

The subject property is tenanted. The tenancy schedules are as follows:

Unit No	Company/Tenant's Name	Lease Period	Rental Per Month(S$)
Stall 1,2 and Living Quarters	Bao Gong XO Fish Head Bee Hoon (Holland Village)	18.05.11 – 17.05.16	10,000
Stall 3 to 8	Kim Leong Eatery Pte Ltd	01.12.14 – 30.11.17	14,000

8.0 Accommodation, Finishes & Fittings

Accommodation

1st Storey

Dining area / 7 stalls / 1 drink stall / male and female toilets

2nd Storey

Living area / 1 bedroom with an attached bath / another bedroom / kitchen / partitioned room / common bath

Finishes

Floor

Ceramic generally

Walls

Plaster and paint / ceramic / dry wall partitions generally

Ceiling

Plaster and paint / false ceiling generally

Fittings

Split-unit air-conditioner / ceiling fans / wall fans / stall counters / exhaust hoods / homogeneous-tiled worktop with sink generally

9.0 Annual Value

S$17,400

10.0 Structural Survey of Property

We have not been instructed to conduct a structural survey of the subject property. For the purpose of this valuation, the subject property is assumed to be in sound structural condition.

11.0 Valuation Approaches

Market Comparison Approach

We have adopted the Market Comparison Method of Valuation in formulating our opinion on the market value of the subject property. In adopting the approach, we have taken into cognizance transactions of comparables properties, the prevailing market condition and underlying economic factors which may influence the trend of the market prices.

12.0 Limiting Conditions

This report is subject to the limiting conditions enclosed.

13.0 Opinion of Value(s) as at 02 OCTOBER 2015 For BLOCK 713 CLEMENTI WEST STREET 2 #01-115 SINGAPORE 120713

Market Value : S$2,500,000
(Singapore Dollars Two Million Five Hundred Thousand Only)

Yours Sincerely,

CKS PROPERTY CONSULTANTS PTE LTD

CKS Property Consultants Pte Ltd

CKS Property Consultants Pte Ltd

15/P96127/GC/CL/PL

Our Ref : 15/P96126/CL/WY/PL 09 November 2015

CKS
PROPERTY CONSULTANTS

The Directors
c/o Mr Lum Kum Kuen
Eastern Holdings Limited
1100 Lower Delta Road
#02-01 EPL Building
Singapore 169206

Dear Sirs

VALUATION REPORT OF 18 EVELYN ROAD #05-04 D'EVELYN SINGAPORE 309307

1.0 Instructions

We refer to instructions issued by Eastern Holdings Limited requesting formal valuation advice in respect of the above mentioned property for delisting purposes. We have specifically been instructed to provide our opinion of Market Value of the Property.

We have prepared our report in accordance with the requirements of your instructions and the following international definition of "Market Value", namely:

"Market Value is the estimated amount for which 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 each acted knowledgeably, prudently and without compulsion".

and also on the following basis:

"the price at which the property might reasonably be expected to be sold at the date of the valuation assuming:

i. a willing, but not anxious, buyer and seller; and

ii. a reasonable period within which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind; and

iii. that the property will be reasonably exposed to the market; and

iv. that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and

v. that the seller has sufficient resources to allow a reasonable period for the exposure of the property for sale; and

vi. that the seller has sufficient resources to negotiate an agreement for the sale of the property."

In adopting this definition of Market Value, we are of the opinion that it is consistent with the international definition of Market Value as advocated by the Royal Institute of Chartered Surveyors (RICS) and The Singapore Institute of Surveyors and Valuers (SISV).

Qualifications and Assumptions

Where the information provided in the report has been supplied to the valuer by another party, this information is believed to be reliable.

2.0 Purpose of Valuation

To determine the market value of the subject property as at 08 October 2015

3.0 Date of Inspection

08 October 2015

4.0 Title & Tenure

Legal Description

TS28-U3833L

Tenure

Estate in Fee Simple

Strata Floor Area

110.0 sq.m.

Remarks

No title searches have been conducted for the subject property. We recommend that all legal encumbrances be confirmed through your solicitors.

5.0 Town Planning

Master Plan (2014) Zoning

Residential

6.0 Location

The subject development, D'Evelyn, is located at Evelyn Road, off Newton Road.

The immediate vicinity comprises mainly apartment/condominium developments. Prominent developments in the vicinity include Morlmasa Gardens, Residences @ Evelyn, Newton One, Evelyn Mansions, Dunearn Gardens, The Gilstead and Newton 18.

Retail facilities, eating establishments and other amenities are readily available at the nearby shopping malls such as United Square and Velocity @ Novena Square, and along Orchard Road Shopping Belt.

Public transportation is available along Newton Road, Dunearn Road and Bukit Timah Road. Access to other parts of the island is enhanced via the proximity of Central Expressway (CTE) and Pan-Island Expressway (PIE). The Newton MRT Station and Novena MRT Station are located nearby.

7.0 Subject Property

Type of Property

A 1-bedroom penthouse unit with guest/study and roof terrace located on the top storey of a 5-storey block with attic within an apartment development

Year of Completion

Circa 2008

Condition

Above Average

Orientation

Balcony faces south-east

Tenancy Details

The subject property is tenanted at a monthly rental S$3,100 from 01 June 2015 to 31 May 2017.

8.0 Accommodation, Finishes & Fittings

Accommodation

As shown on floor plans

Finishes

Floors

Marble / homogeneous / timber strips / ceramic generally

Walls

Plaster and paint / spray-textured paint / marble / homogeneous generally

Ceiling

Plaster and paint / false ceiling / downlights generally

Fittings

Split-unit air-conditioners / wardrobe / high and low level kitchen cabinets with cooker hob/hood/oven/sink / marble vanity tops with undercounter cabinets / shower screen / sunken bath generally

9.0 Annual Value

S$37,800

10.0 Structural Survey of Building

We have not been instructed to conduct a structural survey of the subject property. For the purpose of this valuation, the subject property is assumed to be in sound structural condition.

11.0 Valuation Approaches

Market Comparison Approach

We have adopted the Market Comparison Method of Valuation in formulating our opinion on the market value of the subject property. In adopting the approach, we have taken into cognizance transactions of comparables properties, the prevailing market condition and underlying economic factors which may influence the trend of the market prices.

12.0 Limiting Conditions

This report is subject to the limiting conditions enclosed.

13.0 Opinion Of Value(s) as at 08 October 2015 For 18 EVELYN ROAD #05-04 D'EVELYN SINGAPORE 309307

Market Value : S$1,650,000
(Singapore Dollars One Million Six Hundred Fifty Thousand Only)

Yours Sincerely,

CKS PROPERTY CONSULTANTS PTE LTD

CKS Property Consultants Pte Ltd

CKS Property Consultants Pte Ltd

15/P96126/CL/WY/PL

M.A.D. Investment Solutions
Sukhbaatar District, 4th Khoroo, Building 67, Unit 1& 2
www.mad-mongolia.com - info@mad-mongolia.com
Lead Valuer: Christopher de Gruben
RICS Registration Number: 6489189

M.A.D. PROPERTY VALUATION REPORT ON:

Mon Ted Commercial Space (1)

Made in Ulaanbaatar on the **21/10/2015** (date of report)

Dear **Lum Kum Kuen**

In accordance with your instructions dated from the **07/10/2015**, engaging M.A.D. Investment Solutions as an external valuer, we have carried out a physical inspection of the property on the **12/10/2015** and have estimated the current market value of the **100% Freehold interest** in the Property as of the **21/10/2015** (date of valuation).

Our valuation is subject to the comments, departures, qualifications and financial data contained within our report. On that basis, and assuming the property is entirely free of encumbrances, restrictions, easements, restrictive covenants and other impediments of an onerous nature which would affect value, in our opinion its market value as at Valuation Date, is:

MNT	189,049,456
USD	94,809

The above valuation estimation is exclusive of Government taxes and any additional unforeseen fees that may apply. It has been calculated using the **comparable** method of valuation according to the International Valuation Standards Council and the RICS Red Book ((January 2014 edition). The Valuation Report has been prepared according to the Practice Statement laid out in IVS 103 Reporting. If certain departures have been made to adapt the valuation methodology for the Mongolian environment, such departures will be clearly marked within the report. No departures have been made from PS1 or PS2 of the Professional Standards of RICS. The above valuation does not assume any synergistic value or extra-ordinary arrangements. The USD amount is arrived at by converting the MNT amount with the Mongol Bank MNT / USD exchange rate on the day of this valuation.

Finally, and in accordance with our normal practices, we confirm that this report is confidential to the client as of the date of the report. No responsibility is accepted to any third parties. Neither the whole of the report, or any part of it, or any reference to it, may be published in any document, prospectus, brochure, statement or circular nor any communication with third parties without our prior written approval of the form and context in which it will appear.

Yours sincerely,

RICS QUALITY ASSURED RICS Registered Valuer

УЛААНБААТАР ХОТ
ХХК
ТТГ6723 рд. 6256023

Christopher de Gruben
For and on behalf of:
M.A.D. Investment Solutions

M.A.D. Investment Solutions
Sukhbaatar District, 4th Khoroo, Building 67, Unit 1& 2
www.mad-mongolia.com - info@mad-mongolia.com
Lead Valuer: Christopher de Gruben
RICS Registration Number: 6489189

M.A.D. DRAFT PROPERTY VALUATION REPORT ON:

Mon Ted Commercial Space (2)

Made in Ulaanbaatar on the **21/10/2015** (date of report)

Dear **Lum Kum Kuen**

In accordance with your instructions dated from the **07/10/2015**, engaging M.A.D. Investment Solutions as an external valuer, we have carried out a physical inspection of the property on the **12/10/2015** and have estimated the current market value of the **100% Freehold interest** in the Property as of the **21/10/2015** (date of valuation).

Our valuation is subject to the comments, departures, qualifications and financial data contained within our report. On that basis, and assuming the property is entirely free of encumbrances, restrictions, easements, restrictive covenants and other impediments of an onerous nature which would affect value, in our opinion its market value as at Valuation Date, is:

MNT	121,584,575
USD	60,975

The above valuation estimation is exclusive of Government taxes and any additional unforeseen fees that may apply. It has been calculated using the **comparable** method of valuation according to the International Valuation Standards Council and the RICS Red Book ((January 2014 edition). The Valuation Report has been prepared according to the Practice Statement laid out in IVS 103 Reporting. If certain departures have been made to adapt the valuation methodology for the Mongolian environment, such departures will be clearly marked within the report. No departures have been made from PS1 or PS2 of the Professional Standards of RICS. The above valuation does not assume any synergistic value or extra-ordinary arrangements. The USD amount is arrived at by converting the MNT amount with the Mongol Bank MNT / USD exchange rate on the day of this valuation.

Finally, and in accordance with our normal practices, we confirm that this report is confidential to the client as of the date of the report. No responsibility is accepted to any third parties. Neither the whole of the report, or any part of it, or any reference to it, may be published in any document, prospectus, brochure, statement or circular nor any communication with third parties without our prior written approval of the form and context in which it will appear.

Yours sincerely,

RICS QUALITY ASSURED RICS Registered Valuer

УЛААНБААТАР ХОТ МЭЙКДИФФЕРЭНС ХХК ТТГ6723 ДД 5256023

Christopher de Gruben

For and on behalf of:
M.A.D. Investment Solutions

M.A.D. Investment Solutions
Sukhbaatar District, 4th Khoroo, Building 67, Unit 1& 2
www.mad-mongolia.com - info@mad-mongolia.com
Lead Valuer: Christopher de Gruben
RICS Registration Number: 6489189

M.A.D. PROPERTY VALUATION REPORT ON:

Development Land - Bayanzurkh District

*Made in Ulaanbaatar on the **21/10/2015** (date of report)*

Dear **Lum Kum Kuen**

In accordance with your instructions dated from the **07/10/2015**, engaging M.A.D. Investment Solutions as an external valuer, we have carried out a physical inspection of the property on the **12/10/2015** and have estimated the current **market value** of the **100%** Freehold interest in the Property as of the **21/10/2015** (date of valuation).

Our valuation is subject to the comments, departures, qualifications and financial data contained within our report. On that basis, and assuming the property is entirely free of encumbrances, restrictions, easements, restrictive covenants and other impediments of an onerous nature which would affect value, in our opinion its market value as at Valuation Date, is:

MNT	882,804,603
USD	442,730

The above valuation estimation is exclusive of Government taxes and any additional unforeseen fees that may apply. It has been calculated using the **residual** method of valuation according to the International Valuation Standards Council and the RICS Red Book ((January 2014 edition). The Valuation Report has been prepared according to the Practice Statement laid out in IVS 103 Reporting. If certain departures have been made to adapt the valuation methodology for the Mongolian environment, such departures will be clearly marked within the report. No departures have been made from PS1 or PS2 of the Professional Standards of RICS. The above valuation does not assume any synergistic value or extra-ordinary arrangements. The USD amount is arrived at by converting the MNT amount with the Mongol Bank MNT / USD exchange rate on the day of this valuation.

Finally, and in accordance with our normal practices, we confirm that this report is confidential to the client as of the date of the report. No responsibility is accepted to any third parties. Neither the whole of the report, or any part of it, or any reference to it, may be published in any document, prospectus, brochure, statement or circular nor any communication with third parties without our prior written approval of the form and context in which it will appear.

Yours sincerely,

RICS QUALITY ASSURED RICS Registered Valuer

УЛААНБААТАР ХОТ МЭЙДИФФРЭНС ХХК ТТГ6723 ... 5255023

Christopher de Gruben

For and on behalf of:
M.A.D. Investment Solutions

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Suite 2102, Hong Kong Trade Centre
161-167 Des Voeux Road Central
Hong Kong
www.ascent-partners.com
Tel: (852) 3679 3890
Fax: (852) 3579 0884

Date: 5 November 2015

Our Ref. VH3151007-01942SY

The Board of Directors
Eastern Holdings Limited
1100 Lower Delta Road
#02-01 EPL Building
Singapore 169206

Dear Sirs,

In accordance with your instructions for us to value the properties situated in Zhuhai and Hengqin, the People's Republic of China (the "**PRC**") which Eastern Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") have property interests, we confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 12 October 2015 (the "**Valuation Date**") for delisting purpose.

Our valuation of the property interests represents the market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's – length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We have valued the properties on market basis and the direct comparison method is adopted where comparison based on comparable sales/asking evidence. Comparable properties of similar size, character and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values.

In valuing the property interests, we have complied with all the requirements contained in the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

Our valuations have been made on the assumption that the seller sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owners of the properties have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our report for any outstanding or additional land premium, charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

Other special assumptions of the property interests, if any, have been stated out in the footnotes of the valuation certificate attached herewith.

We have adopted the areas as appeared in the copies of the documents as provided and no further verification work has been conducted. Should it be established subsequently that the adopted areas were not the latest approved by the pertinent authorities, we reserve the rights to revise our report and valuation accordingly.

We have been, in some instances, shown copies of various title documents and other documents relating to the property interests and have made relevant enquiries. We have not examined the original documents to verify the existing title to the property interests and any material encumbrances that might be attached to the property interests or any lease amendments. We have not investigated the title of the property interests but have relied to a considerable extent on the opinion given by the Company as regards the title of the property interests to the Company. We further state that we are not legal professional and are not in the position to advise and comment on the legality and effectiveness of the documents provided by the Company. The readers are reminded to carry out their own legal due diligence work on such issues.

We have inspected the exterior, and wherever possible, the interior of the properties but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

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We have not carried out any soil investigations to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. We do not make any allowance for contamination or pollution of the land, if any, which may have been caused by past usage.

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld. We are unable to accept any responsibility for the information that has not been supplied to us by the Company.

We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this report, and we accept no responsibility whatsoever to any other person.

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our report in whole or in part, in any document you prepare and / or distribute to third parties may be made without written consent.

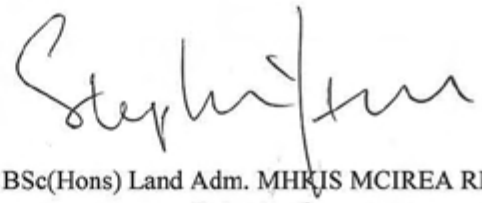
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Unless otherwise stated, all monetary amounts stated in this report are in Renminbi ("**RMB**"), the official currency of the PRC. We hereby certify that the fee for this service is not contingent upon our conclusion of value and we have no significant interest in the Company or the value reported.

Our summary of valuation and valuation certificates are herewith attached.

Yours faithfully,
For and on behalf of
Ascent Partners Valuation Service Limited
Stephen Y. W. Yeung



MFin BSc(Hons) Land Adm. MHKIS MCIREA RPS(GP)
Principal

Mr. Stephen Y. W. Yeung is a Registered Professional Surveyor (General Practice Division) and a Professional Member of The Hong Kong Institute of Surveyors with over 10 years' experience in valuation of properties in HKSAR and mainland China. Mr. Yeung is also a valuer on the List of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by HKIS.

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SUMMARY OF VALUATION

	Property	Market Value in Existing State as at 12 October 2015
		(RMB)
1	Unit 1501, Block 4 Royal Scenic Mountain No. 32 Jinglian Street Zhuhai City Guangdong Province The People's Republic of China	No Commercial Value
2	Unit 1305 Block 168, Phase 4 Huafa Century City No. 376 Changsheng Road Zhuhai City Guangdong Province The People's Republic of China	No Commercial Value
3	Six residential flats in Danyuan 2 Block 10, Leechee Bay Southern side of Gang'ao Main Road Hengqin New Area, Zhuhai City Guangdong Province The People's Republic of China	No Commercial Value
	Total:	**No Commercial Value**

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VALUATION CERTIFICATE

Property interest held by the Company in the People's Republic of China

	Property	Description and Tenure	Particular of Occupancy	Market Value in existing state as at 12 October 2015
1	Unit 1501, Block 4 Royal Scenic Mountain No. 32 Jinglian Street Zhuhai City Guangdong Province The People's Republic of China (中國廣東省珠海市景蓮街32號新光御景山花園4棟1501號房)	The property comprises a residential flat on Level 15 of a 20-storey residential building plus two basement floors completed in 2012. Pursuant to the Zhuhai City Commodity Housing Purchase Contract, the Gross Floor Area of the property is approximately 97.06 sq.m. The land use rights of the property have been granted for a term of 70 years commencing on 18 November 2004 and expiring on 18 November 2074 for residential use.	As at the date of inspection, the property is vacant in possession.	No Commercial Value (Please refer to Note 2)

Notes:

(1) Pursuant to a Zhuhai City Commodity Housing Purchase Contract (珠海市商品房買賣合同) dated 11 November 2010 entered into between 珠海市新光置業有限公司 (the "**Vendor**") and 珠海淡馬錫房地產投資咨詢有限公司 (the "**Purchaser**"), the property was sold to the Purchaser at a consideration of RMB1,685,492.

(2) We have attributed no commercial value to the property interest as the relevant Real Estate Ownership Certificate has not yet been issued as at the date of valuation. For reference purpose, we are of the opinion that the market value of the property in existing state, assuming that the relevant Real Estate Ownership Certificate has been obtained and the property can be freely disposed of in the market, as at the valuation date, is RMB2,110,000 (Renminbi Two Million One Hundred Ten Thousand only).

(3) Pursuant to a copy of Certificate of Approval For Establishment of Enterprises With Foreign Investment in the People's Republic of China (中華人民共和國外商投資企業批准證書) – Shang Wai Zi Yue Zhu Wai Zi Zhang Zi [2005] No. 0345 (商外資粵珠外資證字[2005]0345號) issued by the People's Government of Zhuhai City (珠海市人民政府) dated 18 June 2015, 珠海淡馬錫房地產投資咨詢有限公司 was established with a registered capital of USD500,000 for 30 years commencing from 16 September

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2005.

(4) The inspection was performed by Isabella Qiu on 12 October 2015. We are not able to conduct internal inspection of the property and have assumed that the internal condition is in commensurate with the building age.

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VALUATION CERTIFICATE

Property interest held by the Company in the People's Republic of China

	Property	Description and Tenure	Particular of Occupancy	Market Value in existing state as at 12 October 2015
2	Unit 1305 Block 168, Phase 4 Huafa Century City No. 376 Changsheng Road Zhuhai City Guangdong Province The People's Republic of China (中國廣東省珠海市昌盛路376號華發世紀城四期第168棟1305號房)	The property comprises a residential flat on Level 13 of a 32-storey residential building plus one basement floor completed in 2011. Pursuant to the Zhuhai City Commodity Housing Purchase Contract, the Gross Floor Area of the property is approximately 89.07 sq.m. The land use rights of the property have been granted for a term of 70 years commencing on 7 January 2005 and expiring on 7 January 2075 for commercial and residential uses.	As at the date of inspection, the property is vacant in possession.	No Commercial Value (Please refer to Note 2)

Notes:

(1) Pursuant to a Zhuhai City Commodity Housing Purchase Contract (珠海市商品房買賣合同) dated 12 August 2010 entered into between 珠海鏵創經貿發展有限公司 (the "**Vendor**") and 珠海淡馬錫房地產投資咨詢有限公司 (the "**Purchaser**"), the property was sold to the Purchaser at a consideration of RMB1,299,727.

(2) We have attributed no commercial value to the property interest as the relevant Real Estate Ownership Certificate has not yet been issued as at the date of valuation. For reference purpose, we are of the opinion that the market value of the property in existing state, assuming that the relevant Real Estate Ownership Certificate has been obtained and the property can be freely disposed of in the market, as at the valuation date, is RMB1,850,000 (Renminbi One Million Eight Hundred Fifty Thousand only).

(3) Pursuant to a copy of Certificate of Approval For Establishment of Enterprises With Foreign Investment in the People's Republic of China (中華人民共和國外商投資企業批准證書) – Shang Wai Zi Yue Zhu Wai Zi Zhang Zi [2005] No. 0345 (商外資粵珠外資證字[2005]0345號) issued by the People's Government of Zhuhai City (珠海市人民政府) dated 18 June 2015, 珠海淡馬錫房地產投資咨詢有限公司 was established with a registered capital of USD500,000 for 30 years commencing from 16 September 2005.

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(4) The inspection was performed by Isabella Qiu on 12 October 2015. We are not able to conduct internal inspection of the property and have assumed that the internal condition is in commensurate with the building age.

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VALUATION CERTIFICATE

Property interest held by the Company in the People's Republic of China

	Property	Description and Tenure	Particular of Occupancy	Market Value in existing state as at 12 October 2015
3	Six residential flats in Danyuan 2 Block 10, Leechee Bay Southern side of Gang'ao Main Road Hengqin New Area, Zhuhai City Guangdong Province The People's Republic of China (中國廣東省珠海市橫琴新區港澳大道南側K2荔枝灣10棟2單元之六個住宅單位)	Leechee Bay is a residential project to be developed in phases. The property comprises six residential flats on various floors of Block 10, which is to be completed in 2016. Pursuant to six sets of Leechee Bay Pre-Sale Confirmation Letter, the total Gross Floor Area of the property is 516.44 sq.m. as listed below: **Unit** / **Gross Floor Area (sq.m.)** 602 – 85.86 803 – 85.86 1202 – 85.86 1803 – 85.86 2202 – 85.86 2603 – 87.14 Total: – 516.44 The land use rights of the property have been granted for a term of 70 years.	As at the date of inspection, the property is under construction.	No Commercial Value (Please refer to Note 2)

Notes:

(1) Pursuant to six sets of Leechee Bay Pre-Sale Unit Confirmation Letter (荔枝灣花園預售單位確認書) all dated 25 January 2015 entered into between 珠海荔枝灣投資發展有限公司 (the "**Vendor**") and M Holdings Company Limited (the "**Purchaser**"), the property with a total Gross Floor Area of 516.44 sq.m. was sold to the Purchaser at a total consideration of RMB24,475,473.

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(2) We have attributed no commercial value to the property interest as neither the relevant Commodity Housing Pre-Sale Permit is produced by the developer nor a formal Commodity Housing Pre-Sale Contract endorsed by the pertinent Authorities was entered into between the vendor and purchaser as at the date of valuation. For reference purpose, we are of the opinion that the market value of the property in existing state, assuming that the relevant Commodity Housing Pre-Sale Permit and a formal Commodity Housing Pre-Sale Contract have been obtained and duly signed and the property can be freely disposed of in the market, as at the valuation date, is RMB25,650,000 (Renminbi Twenty Five Million Six Hundred Fifty Thousand only).

(3) Pursuant to a copy of Business Registration Certificate (商業登記證明) – 52884 SO, M Holdings Company Limited (M控股一人有限公司) was registered in Macao Commercial Registry (澳門特別行政區商業及房產登記局).

(4) The inspection was performed by Isabella Qiu on 12 October 2015. The property is under construction as at the inspection date.

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QUALIFICATION STATEMENTS OF THE INDEPENDENT VALUERS:

(a) CKS Property Consultants Pte. Ltd. ("**CKS**")

CKS is a pioneer in Singapore's real estate landscape. CKS was founded in the 1920s and is now a full-fledged property consultancy, licensed and regulated by the Council for Estate Agencies (CEA). CKS provides a suite of professional services in the residential, commercial, industrial and retail property sectors, and is also part of the global PhillipCapital network. The PhillipCapital Group is an integrated financial services provider, operating in the financial hubs of 16 countries, including Singapore, Malaysia, Cambodia, Indonesia, Thailand, Hong Kong, China, Japan, India, Sri Lanka, Dubai, United Kingdom, France, Turkey, Australia and the USA. This extensive business network provides us with a unique platform for regional initiatives and partnerships.

Ang Guan Choon has approximately 15 years of valuation experience in the property and real estate industry. He is required to carry out site inspections and valuations of a more complex nature, and to develop and maintain a working knowledge of the market. The profile of assignments handled will include business parks, JTC factories, conservation shop houses, good class bungalows, hotels and development sites. He also performed rental valuations for government bodies and corporate clients for compulsory acquisition cases.

Lin Liyun graduated from National University of Singapore in December 2009 with Bachelor of Science (Real Estate) and Singapore Polytechnic in March 2006 with Diploma in Building and Property Management (with Merit), majoring in Property and Marketing Management. She joined CKS as a valuer in March 2010. Currently, her responsibilities include providing consultative valuation advice to clients and carrying out wide spectrum of valuations which includes private residential properties, industrial properties, commercial properties, HDB shop units, land acquisition cases and valuation of building for sale, the determination of gross development value and fire insurance valuation for residential and commercial properties.

Christine Li graduated from National University of Singapore in May 2008 with a Bachelor of Science (Real Estate). She joined CKS as a valuer in October 2009. Her current responsibilities include carrying out valuations of apartments/condominiums, HDB shophouses, strata shops, private shophouses, landed houses, strata/landed/JTC factories, hotels, commercial buildings and redevelopment sites as well as rental valuation for clients.

Ednas Wong has approximately 7 years of experience in the field of valuation. Her work comprise of valuation of all types of properties mainly private properties, complex valuations, mainly industrial and commercial lands and buildings, compulsory acquisition and other statutory valuations, for all purposes including mortgage, sale and purchase, amongst others. Besides valuation, she was also involved in providing valuation to various major banks and assisting in the general business development of CKS. Some of the major valuations she has undertaken include the rental valuation of petrol kiosks, temples, vacant land and other specialized properties.

Wang Wuyou graduated from National University of Singapore in December 2010 with Bachelor of Science (Real Estate) and Temasek Polytechnic in March 2007 with Diploma in Business Process and Systems Engineering. She joined CKS as a valuer upon her graduation. Currently, her responsibilities include carrying out valuations of private residential properties including apartments, terrace and semi-detached houses, commercial and industrial properties.

(b) M.A.D. Investment Solutions ("**M.A.D.**")

M.A.D. was founded in 2008 and has been offering valuations for over three years now. M.A.D. is the only Royal Institution of Chartered Surveyors (RICS) accredited firm in Mongolia and M.A.D. has an official partnership with Jones Lang LaSalle ("JLL") in Mongolia. M.A.D. has worked on valuations with many real estate valuation companies such as JLL, the CBRE Group, Knight Frank, Cushman & Wakefield, as well as with local and international clients.

De Gruben Christopher is an RICS registered valuer and has been conducting valuations of real properties in Mongolia since 2008. He specialises in the valuation of various real estate which includes land, residential properties and commercial properties.

(c) Ascent Partners Valuation Service Limited ("**Ascent Partners**")

Ascent Partners was founded in Hong Kong in 2008 focusing on independent valuations. Ascent Partners has offices in Beijing, Shanghai, Shenzhen and Singapore to supports its headquarters in Hong Kong. Ascent Partners provides impartial and independent valuations of businesses, properties and financial instruments that meet stringent international standards and regulatory requirements. Ascent Partners also provide clients with fair valuations of their property, plants, machinery, equipment and land parcels to comply with regulatory requirements of IPOs, audits, acquisitions or divestiture activities. Ascent Partners have, amongst others, provided valuations to some of the region's leading companies across the automobile, biomedical, industrial, manufacturing, property and technology sectors.

The Company had commissioned Ascent Partners to conduct independent valuation of the properties owned by the Group in connection with the voluntary unconditional cash offer by CIMB for and on behalf of MBT to acquire all the issued ordinary shares of the Company in 2012. The Independent Directors are also of the view that Ascent Partners has extensive industrial, commercial and technical experience in the local market to deliver impartial valuations that meet international and regulatory requirements.

Mr. Stephen Yeung is a Registered Professional Surveyor (General Practice Division) and a Professional Member of The Hong Kong Institution of Surveyors (HKIS) with over 10 years' experience in valuation of properties in HKSAR and Mainland China. Mr. Yeung is also a valuer on the List of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuation in Connection with Takeovers and Mergers published by HKIS. Mr. Yeung was involved in the IPO valuations of China Candy Holdings Limited, King Force Security Holdings Limited and New Ray Medicine International Holding Limited, and also the circular disclosure valuations of several listed companies such as RM Group Holdings Limited and Richfield Group Holdings Limited in the previous 3 years.

Mr. Charles Choi joined Ascent Partners in 2012 and has 3 years' experience in valuation of properties in HKSAR and Mainland China. Mr. Choi was involved in various valuations, including but not limited to, the valuations of China Candy Holdings Limited and Janny Holdings Limited in the previous 3 years.

Ms. Isabella Qiu joined Ascent Partners in 2015 and has 3 years' experience in research and valuation of properties in HKSAR and Mainland China. Ms. Qiu is currently a probationer in General Practice Division of Hong Kong Institution of Surveyors. Ms. Qiu was involved in the IPO valuation of China Candy Holdings Limited, as well as the circular disclosure valuations of several listed companies such as RM Group Holdings Limited and Hanny Holdings Limited after she joined.

PROCEDURES FOR ACCEPTANCE AND OTHER DETAILS OF THE EXIT OFFER

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

"The Shareholders may choose to submit the relevant Acceptance Form(s) to accept the Exit Offer before the EGM. However, please note that such acceptance is conditional upon the Delisting Resolution Approval Conditions being satisfied. In the event that any of the Delisting Resolution Approval Conditions is not fulfilled, the Exit Offer will lapse and both 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 this Exit Offer Letter and the Acceptance Forms.

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

1 PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER BY DEPOSITORS WHOSE SECURITIES ACCOUNTS ARE AND/OR WILL BE CREDITED WITH OFFER SHARES

(a) Depositors whose Securities Accounts are credited with Offer Shares

If you have Offer Shares standing to the credit of your Securities Account, you are entitled to receive this Exit Offer Letter together with the FAA.

If you wish to accept the Exit Offer, the FAA must be completed and signed strictly in the manner set out in the accompanying FAA (which provisions and instructions shall be deemed to form part of the terms of the Exit Offer) and in accordance with the provisions and instructions of this Exit Offer Letter and then forwarded either by hand to:

MBT ENTERPRISES PTE. LTD.
c/o The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20, The Metropolis
Singapore 138588

or by post (in the enclosed pre-addressed envelope) at your own risk, to:

MBT ENTERPRISES PTE. LTD.
c/o The Central Depository (Pte) Limited
Robinson Road Post Office
P.O. Box 1984
Singapore 903934

so as in either case to arrive NOT LATER THAN 5.30 P.M. ON THE CLOSING DATE, being 22 January 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

If you have sold or transferred all your Offer Shares, you need not forward this Exit Offer Letter and/or the FAA to the purchaser or the transferee (the "**Purchaser**") as arrangements will be made by CDP for a separate Exit Offer Letter and FAA to be sent to the Purchaser. Purchasers should note that CDP will, for and on behalf of the Offeror, send a copy of the Exit Offer Letter and the FAA by ordinary post at the Purchasers' own risk to their respective addresses as maintained in the records of CDP.

If you wish to accept the Exit Offer, you must insert 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 the Exit Offer is accepted.

If you are a depository agent as defined under Section 130A of the Companies Act ("**Depository Agent**"), you may accept the Exit Offer via the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents (the "**Electronic Acceptance**"). Such Electronic Acceptances must be submitted **NOT LATER THAN 5.30 P.M. ON THE CLOSING DATE.** CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Such 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 completed and delivered to CDP.

Subject to the provisions of paragraph 1(b) below, if the number of Offer Shares inserted in Part A of the FAA or submitted through Electronic Acceptance exceeds the number of Offer Shares standing to the credit of the "Free Balance" of your Securities Account as at 5.00 p.m. on the date of receipt of the FAA by CDP (the "**Date of Receipt**") or, in the case where the Date of Receipt is on the

Closing Date, as at 5.30 p.m. on the Closing Date (provided always that the Date of Receipt is on or before the Closing Date) or, if no such number of Offer Shares is inserted in Part A of the FAA, then **YOU ARE 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. ON THE DATE OF RECEIPT OR 5.30 P.M. ON THE CLOSING DATE (IF THE FAA OR ELECTRONIC ACCEPTANCE IS RECEIVED BY CDP ON THE CLOSING DATE).**

(b) Depositors whose Securities Accounts will be credited with Offer Shares

If you have purchased Offer Shares on the SGX-ST, a FAA in respect of such Offer Shares bearing your name and Securities Account number will be sent to you by CDP and if you wish to accept the Exit Offer in respect of such Offer Shares, you should, **AFTER** the "Free Balance" of your Securities Account has been credited with such number of Offer Shares, accept the Exit Offer in respect of such Offer Shares, in accordance with the provisions and instructions set out in paragraph 1(a) above. If you do not receive the FAA, you may obtain a copy, upon production of satisfactory evidence that you have purchased the Offer Shares on the SGX-ST, from The Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588.

If upon receipt by CDP, for and on behalf of the Offeror, of your acceptance of such Offer Shares, it is established that such Offer Shares have not been, or will not be, credited to the "Free Balance" of your Securities Account (as, for example, where you sell or have sold such Offer Shares), your acceptance is liable to be rejected and neither CDP nor the Offeror accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

IF YOU PURCHASE OFFER SHARES ON THE SGX-ST ON A DATE NEAR TO THE CLOSING DATE, YOUR ACCEPTANCE IN RESPECT OF SUCH OFFER SHARES WILL BE REJECTED IF THE "FREE BALANCE" OF YOUR SECURITIES ACCOUNT IS NOT CREDITED WITH SUCH OFFER SHARES BY 5.00 P.M. ON THE DATE OF RECEIPT OR 5.30 P.M. ON THE CLOSING DATE (IF THE FAA OR ELECTRONIC ACCEPTANCE IS RECEIVED BY CDP ON THE CLOSING DATE). NONE OF CDP AND THE OFFEROR ACCEPTS ANY RESPONSIBILITY OR LIABILITY FOR SUCH A REJECTION, INCLUDING THE CONSEQUENCES OF SUCH A REJECTION.

(c) 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 already 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 your Securities Account only **AFTER** the "Free Balance" of your Securities Account has been credited with such number of Offer Shares. If such number of additional Offer Shares purchased is not credited to the "Free Balance" of your Securities Account by 5.00 p.m. on the Date of Receipt or 5.30 p.m. on the Closing Date (if the FAA or Electronic Acceptance is received by CDP on the Closing Date), your acceptance in respect of such Offer Shares is liable to be rejected. Neither CDP nor the Offeror accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

(d) General

No acknowledgement of receipt of the FAA will be given by CDP.

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares in your Securities Account. You can verify the number of Offer Shares credited to your Securities Account (i) through CDP Online if you have registered for CDP Internet Access Service or (ii) through CDP Phone Service if you have a T-Pin. Alternatively, you may proceed to CDP in person with your identity card or passport to verify the number of Offer Shares credited to your Securities Account.

(e) Suspense Account

CDP will upon receipt, for and on behalf of the Offeror, of the FAA or Electronic Acceptance and all other relevant documents (if any), transfer the Offer Shares in respect of which you have accepted the Exit Offer from the "Free Balance" of your Securities Account to a "Suspense Account" pending the fulfilment of the Delisting Resolution Approval Conditions at the EGM and the Exit Offer becoming or being declared to be unconditional in all respects and until the consideration for the Offer Shares has been despatched to you.

***(f) Return* of Shares**

In the event that the Delisting Resolution Approval Conditions are not fulfilled at the EGM, the relevant number of Offer Shares in respect of which you have accepted the Exit Offer will be transferred to the "Free Balance" of your Securities Account as soon as possible but, in any event, not later than 14 days from the lapse of the Exit Offer.

(g) Notification

If the Delisting Resolution Approval Conditions are fulfilled at the EGM, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Exit Offer Price by way of a cheque in Singapore currency drawn on a bank in Singapore for the appropriate amount, by ordinary post to your mailing address as it appears in the records of CDP at your own risk or in such other manner as you may have agreed with CDP for the payment of any cash distributions.

All communications, notices, documents and remittances to be delivered or sent to you will be sent to you by ordinary post to your address as maintained in the records of CDP and at your own risk.

(h) No Securities Account

If you do not have any existing Securities Account in your name as at the time and date of acceptance of the Exit Offer, your acceptance as contained in the FAA or Electronic Acceptance will be rejected.

2 PROCEDURES FOR ACCEPTANCE OF THE EXIT OFFER BY THE SHAREHOLDERS WHO HOLD SHARES WHICH ARE NOT DEPOSITED WITH CDP

If you hold Offer Shares which are not deposited with CDP, you are entitled to receive this Exit Offer Letter together with the FAT. If you wish to accept the Exit Offer, the FAT must be completed and signed strictly in the manner set out on page 1 of the FAT (which provisions and instructions shall be deemed to form part of the terms of the Exit Offer) and in accordance with the provisions of this Exit Offer Letter and then forwarded with the relevant share certificate(s) and/or other document(s) of title and/or any other relevant document(s) required by the Offeror by hand or by post (in the enclosed pre-addressed envelope at your own risk) to:

MBT ENTERPRISES PTE. LTD.
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

as soon as possible but in any event to arrive NOT LATER THAN 5.30 P.M. ON THE CLOSING DATE, being 22 January 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

If you have sold or transferred all your Shares which are not held through CDP, you should immediately hand this Exit Offer Letter and the accompanying FAT to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale, for onward transmission to the purchaser or transferee.

If your Offer Shares are represented by share certificate(s) which are not registered in your own name, you must send in the relevant share certificate(s), other document(s) of title and/or any other relevant document(s) required by the Offeror together with a duly completed and signed FAT accompanied by the transfer form(s), duly executed by the person registered with the Company as the holder of the Offer Shares, with the particulars of the transferee left blank (to be completed by the Offeror or a person authorised by it).

If you are recorded in the Register of Members of the Company as holding Shares but do not have the relevant share certificate(s) relating to such Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the Memorandum and Articles of Association of the Company and then deliver such share certificate(s) in accordance with the procedures and instructions set out in this Exit Offer Letter and FAT.

If you wish to accept the Exit Offer, you must insert in the FAT the number of Offer Shares in respect of which the Exit Offer is accepted, which should not exceed the number of Offer Shares represented by the share certificate(s) and/or other document(s) of title accompanying the FAT.

If the number of Offer Shares in respect of which the Exit Offer is accepted, as inserted by you in the FAT, exceeds the number of Offer Shares represented by the share certificate(s) and/or other document(s) of title accompanying the FAT, or if no such number of Offer Shares is inserted in the FAT by you, then YOU SHALL BE DEEMED TO HAVE ACCEPTED THE EXIT OFFER IN RESPECT OF ALL THE OFFER SHARES REPRESENTED BY THE SHARE CERTIFICATE(S) AND/OR OTHER DOCUMENT(S) OF TITLE ACCOMPANYING THE FAT.

No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) and/or any other relevant document(s) required by the Offeror will be given.

All communications, certificates, notices, documents and remittances to be delivered or sent to you will be sent to you (or your designated agent or, in the case of joint accepting the Shareholders who have not designated any agent, to the one first named in the Register of Members of the Company) by ordinary post to your address as it appears in the Register of Members of the Company at your own risk (or, for the purpose of remittances only, to such different name and address as may appear in the FAT and at your own risk).

In the event that the Delisting Resolution Approval Conditions are not fulfilled at the EGM, the FAT and other documents (including share certificate(s)) will be returned to you at the address stated in the FAT or, if none is stated, to you (or your designated agent or, in the case of joint accepting the Shareholders who have not designated any agent, to the one first named in the Register of Members of the Company) by ordinary post to the address as it appears in the Register of Members of the Company, at your own risk as soon as possible but, in any event, not later than 14 days from the lapse of the Exit Offer.

3 OTHER RELEVANT INFORMATION IN RESPECT OF THE PROCEDURES FOR ACCEPTANCE

If you hold the share certificate(s) of some of the Offer Shares beneficially owned by you and if you have deposited the rest of the Offer Shares beneficially owned by you with CDP, you are required to complete the FAT in respect of the Offer Shares represented by share certificate(s) and the FAA in respect of the Offer Shares which are deposited with CDP, if you wish to accept the Exit Offer in respect of all such Offer Shares. Both the FAT and the FAA must be completed, signed and accompanied by the relevant documents and sent to the Offeror in accordance with the respective procedures for acceptance set out above.

If you hold the share certificate(s) of the Offer Shares beneficially owned by you and you wish to accept the Exit Offer in respect of such Offer Shares, you **SHOULD NOT** deposit the share certificate(s) with CDP during the period commencing on the date of this Exit Offer Letter and ending on the Closing Date (both dates inclusive) as the "Free Balance" of your Securities Account may not be credited with the relevant number of Offer Shares in time for you to accept the Exit Offer.

Delivery of the duly completed and signed FAA and/or FAT to CDP and/or, Boardroom Corporate & Advisory Services Pte. Ltd., as the case may be, for and on behalf of the Offeror, shall be conclusive evidence in favour of the Offeror, Boardroom Corporate & Advisory Services Pte. Ltd. and CDP 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.

Acceptances in the form of a FAA, a FAT and/or an Electronic Acceptance received by the Offeror, CDP and/or Boardroom Corporate & Advisory Services Pte. Ltd., on a Saturday, Sunday or public holiday will only be processed and validated on the next business day.

If you wish to accept the Exit Offer, it is your responsibility to ensure that the FAA or the FAT is accurately completed in all respects, signed and all required documents, where applicable, are provided. The Offeror, Boardroom Corporate & Advisory Services Pte. Ltd. and/or CDP will be authorised and entitled, in their absolute discretion, to reject any acceptance of the Exit Offer which are not entirely in order or which do not comply with the terms and instructions contained herein and in the FAA or the FAT (as the case may be), or which is otherwise incomplete, incorrect, unsigned, incorrectly completed, illegible or invalid in any respect. Any decision to reject the FAA or the FAT will be final and binding, and neither CDP, Boardroom Corporate & Advisory Services Pte. Ltd. nor the Offeror accepts any responsibility or liability for the consequences of such a decision.

You irrevocably agree and acknowledge that your acceptance is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses, theft and any other events whatsoever (in each case whether or not within the control of the Offeror or CDP) and if, in any such event, the Offeror and CDP do not record or receive the same by the last date and time for acceptance of the Exit Offer in respect of the Offer Shares or such data or tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed **NOT** to have accepted the Exit Offer in respect of the Offer Shares and you shall have no claim whatsoever against either the Offeror or CDP in respect of any purported acceptance thereof or for any compensation, loss or damages in connection therewith or in relation thereto.

4 SETTLEMENT

Subject to the Exit Offer becoming or being declared to be unconditional in all respects and to the receipt by the Offeror of valid acceptances, complete in all respects, signed and in accordance with the instructions given herein, in this Exit Offer Letter and the relevant FAA, FAT and/or the terms and conditions for Electronic Acceptance (as the case may be) and in the case of a depositor, the receipt by the Offeror of confirmation satisfactory to it that the relevant number of Offer Shares are standing to the credit of the "Free Balance" of the depositor's Securities Account at the relevant time(s), remittances in the form of cheques in Singapore currency drawn on a bank in Singapore for the appropriate amounts will be despatched to the accepting Shareholder (or, in the case of a Shareholder holding share certificate(s) which is not deposited with CDP, his designated agent, if any) at his address as maintained in the records of CDP or the Register of Members of the Company by ordinary post and at the risk of the accepting Shareholder or in such other manner as he may have agreed with CDP for the payment of any cash distributions, as soon as practicable but in any event:

(a) in respect of acceptances of the Exit Offer which are valid and complete 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, within ten (10) days of that date; or

(b) in respect of acceptances of the Exit Offer which are valid and complete in all respects and are received after the Exit Offer becomes or is declared to be unconditional in all respects, but on or before the Closing Date, within ten (10) days of the date of such receipt.

In the case of a depositor, CDP will also send a notification letter by ordinary post to you, at your address as maintained in the records of CDP, at your own risk, stating the number of Offer Shares debited from your Securities Account.

5 NO RIGHT OF WITHDRAWAL

Acceptances of the Exit Offer shall be irrevocable."

EASTERN HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 198105390C)

NOTICE OF EXTRAORDINARY GENERAL MEETING

All capitalised terms in this Notice of Extraordinary General Meeting which are not defined herein shall have the same meanings ascribed to them in the Company's circular dated 16 December 2015.

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of **EASTERN HOLDINGS LTD.** (the "**Company**") will be held at TKP Conference Centre Raffles Place, Hall 1, 55 Market Street, #09-02, Singapore 048941 **on 8 January 2016 at 11:00 a.m.** for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution, to be passed in accordance with the requirements of the Listing Manual of the SGX-ST:

That:

(a) the voluntary delisting of the Company from the Official List of the SGX-ST under Rules 1307 and 1309 of the Listing Manual of the SGX-ST ("**Delisting Proposal**"), pursuant to which the Offeror will make the Exit Offer to the Shareholders on the basis of S$0.425 in cash per each Share and the terms and conditions set out in the Circular, be and is hereby approved; and

(b) the Directors and each of them be and are authorised and empowered to complete and do all such acts and things as such Director may consider necessary or expedient to give effect to the Delisting Proposal and/or this Resolution with such modifications thereto (if any) as they or he shall deem fit in the interests of the Company.

By Order of the Board

LUM KUM KUEN
Executive Director
Singapore

16 December 2015

Notes:

1. A Member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. Subject to the proposed amendments to Section 181 of the Companies Act pursuant to the Companies (Amendment) Act 2014 taking effect seventy-two (72) hours before the time set for the Extraordinary General Meeting, a member of a company having a share capital who is a relevant intermediary (as defined in the Companies (Amendment) Act 2014) may appoint more than 2 proxies in relation to a meeting to exercise all or any of his rights to attend and to speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). In such an event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

3. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4. Subject to the proposed amendments to Section 178 of the Companies Act pursuant to the Companies (Amendment) Act 2014 taking effect seventy-two (72) hours before the time set for the Extraordinary General Meeting, the instrument appointment a proxy must be deposited at the registered office of the Company at **1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206** not less than **seventy-two (72)** hours before the time set for the Extraordinary General Meeting. In the event that the proposed amendments to Section 178 of the Companies Act pursuant to the Companies (Amendment) Act 2014 do not take effect seventy-two (72) hours before the time set for the Extraordinary General Meeting, the instrument appointing a proxy must be deposited at the registered office of the Company at **1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206** not less than **forty-eight (48)** hours before the time set for the Extraordinary General Meeting.

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

PROXY FORM

EASTERN HOLDINGS LTD.

(Company Registration Number: 198105390C)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this proxy form)

IMPORTANT:

This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____(name) of

_____(address) being member/members of EASTERN HOLDINGS LTD. (the "**Company**"), hereby appoint

Name	NRIC/Passport Number	Proportion of Shareholdings %
Address		

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings %
Address		

and/or such other persons as furnished by us in accordance with Note 9 of this proxy form,

or failing him/her, the Chairman of the Extraordinary General Meeting as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at the Boardroom of Eastern Holdings Ltd. at TKP Conference Centre, Raffles Place, Hall 1, 55 Market Street, #09-02, Singapore 048941 on 8 January 2016 at 11:00 a.m. and at any adjournment thereof. The proxy is to vote on the business before the Extraordinary General Meeting as indicated below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Extraordinary General Meeting:

No.	Resolution	*For	*Against
1.	To approve the proposed voluntary delisting of the Company from the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") pursuant to Rules 1307 and 1309 of the listing manual of the SGX-ST		

*Please indicate with a cross "X" in the space provided if you wish to use all your votes to be cast for or against the Resolution as set out in the Notice of the Extraordinary General Meeting. Otherwise, please indicate the number of votes.

Dated this _____ day of _____ 2015

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

Signature of Shareholder(s)
Or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

FOLD HERE FOR SEALING

PLEASE AFFIX
25 CENTS
POSTAGE STAMP
HERE

The Company Secretary
EASTERN HOLDINGS LTD
1100 Lower Delta Road, #02-01 EPL Building
Singapore 169206

FOLD HERE

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 130A of the Companies Act, Chapter 50 of Singapore (the "Companies Act), 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 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 will 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 is entitled to appoint one or two proxies to attend and vote instead of him.
3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
4. A proxy need not be a member of the Company.
5. Subject to the proposed amendments to Section 178 of the Companies Act pursuant to the Companies (Amendment) Act 2014 taking effect seventy-two (72) hours before the time set for the Extraordinary General Meeting, this proxy form must be deposited at the registered office of the Company at **1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206** not less than **seventy-two (72)** hours before the time set for the Extraordinary General Meeting. In the event that the proposed amendments to Section 178 of the Companies Act pursuant to the Companies (Amendment) Act 2014 do not take effect seventy-two (72) hours before the time set for the Extraordinary General Meeting, this proxy form must be deposited at the registered office of the Company at **1100 Lower Delta Road, #02-01 EPL Building, Singapore 169206** not less than f**orty-eight (48)** hours before the time set for the Extraordinary General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or 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.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by the 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, failing which the instrument may be treated as invalid.
8. 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 Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
9. Subject to the proposed amendments to Section 181 of the Companies Act pursuant to the Companies (Amendment) Act 2014 taking effect seventy-two (72) hours before the time set for the Extraordinary General Meeting, a member of the Company having a share capital who is a relevant intermediary (as defined in the Companies (Amendment) Act 2014) may appoint more than 2 proxies to exercise all or any of his rights to attend and to speak and vote at the Extraordinary General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). In such an event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

General:

1 Subject to Note 5 above, the Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

2 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 16 December 2015.