

CIRCULAR DATED 16 MAY 2018

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

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

If you have sold or transferred all your ordinary shares in the capital of Envictus International Holdings Limited (the “**Company**”), 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 accuracy of any of the statements made, reports contained or opinions expressed in this Circular.



ENVICTUS

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200313131Z)

CIRCULAR TO SHAREHOLDERS

in relation to:

- (I) THE PROPOSED ACQUISITION OF 100% OF THE TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF MOTIVAGE SDN BHD AS A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION; AND**
- (II) THE ALLOTMENT AND ISSUE OF 15,775,210 CONSIDERATION SHARES AT AN ISSUE PRICE OF S\$0.3913 FOR EACH CONSIDERATION SHARE TO THE VENDORS, AS PART SATISFACTION OF THE CONSIDERATION FOR THE PROPOSED ACQUISITION.**

*Independent Financial Adviser in relation to the Proposed Acquisition
as an Interested Person Transaction*

ASIAN CORPORATE ADVISORS PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200310232R)

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	5 June 2018 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	8 June 2018 at 10.00 a.m.
Place of Extraordinary General Meeting	:	Crystal Suite, Level 2, Holiday Inn Singapore Orchard City Centre, 11 Cavenagh Road, Singapore 229616

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DEFINITIONS

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

“Asset Valuation Reports”	: The following asset valuation reports: (a) the 3 valuation reports, each dated 26 December 2017, prepared by IM Global Property Consultants Sdn. Bhd.; (b) the valuation report dated 11 December 2017 prepared by JS Valuers Property Consultants Sdn Bhd; (c) the 10 valuation reports, each dated 5 December 2017, prepared by Kumpulan Jurunilai Sdn Bhd; and (d) the valuation report dated 6 December 2017 and the 5 valuation reports dated 12 December 2017 prepared by Savills (Malaysia) Sdn. Bhd.;
“Asset Valuation Summary Letters”	: The asset valuation summary letters prepared by the Asset Valuers as a summary of the information contained in their respective Asset Valuation Reports
“Asset Valuers”	: IM Global Property Consultants Sdn. Bhd., JS Valuers Property Consultants Sdn Bhd, Kumpulan Jurunilai Sdn Bhd, Savills (Malaysia) Sdn. Bhd.
“Audit Committee”	: The audit committee of the Company
“Balance Consideration”	: The balance consideration of RM21.6 million which shall be paid by the Purchaser to the Vendors within 30 days from the Unconditional Date
“Board of Directors”	: The board of Directors of the Company
“Book Value”	: The NAV of the Sale Shares
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular to Shareholders dated 16 May 2018
“Companies Act”	: The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Company”	: Envisus International Holdings Limited
“Completion”	: The completion of the Proposed Acquisition
“Consideration”	: The aggregate consideration of RM24.0 million for the Proposed Acquisition to be paid by the Purchaser to the Vendors
“Consideration Shares”	: The 15,775,210 new Shares to be allotted and issued by the Company to Khor Sin Kok, one of the Vendors, (or his nominees) at an issue price of S\$0.3913 for each new Share

DEFINITIONS

“controlling shareholder”	: A person who:
	(a) holds, directly or indirectly, 15% or more of the total number of issued shares excluding treasury shares in a company (provided that the SGX-ST may determine that a person who satisfies this definition is not a controlling shareholder); or
	(b) in fact exercises control over such a company.
“Deposit”	: The deposit of RM2.4 million paid by the Purchaser to the Vendor’s solicitors, as stakeholder, upon the execution of the SSA
“Director-General”	: Director General of the Inland Revenue of Malaysia
“Directors”	: The directors of the Company for the time being
“EGM”	: The extraordinary general meeting of the Company, notice of which is set out on page 138 of this Circular
“EPS”	: Earnings per share
“Excluded Properties”	: Has the meaning ascribed to it in Section 7.3(b) of this Circular
“FY”	: Financial year ended or ending, as the case may be, 30 September, unless otherwise stated
“FY2016”	: Financial year ended 30 September 2016
“FY2017”	: Financial year ended 30 September 2017
“IFA”	: Asian Corporate Advisors Pte. Ltd.
“IFA Letter”	: The letter from the IFA to the Independent Directors, as set out in Appendix A of this Circular
“Independent Directors”	: The Directors who are regarded as independent in respect of the Proposed Acquisition, being all of the Directors
“Group”	: The Company, its subsidiaries and associated companies
“Land”	: The 2 plots of adjoining industrial land of 361,169 square feet in aggregate located at Lot 81 and Lot 82, Phase 2C, Section 4, Selangor Halal Hub, Pulau Indah, 42920 Port Klang which are owned by the Target Company
“Land Valuation Report”	: The valuation report dated 20 July 2017 and issued by the Land Valuer in respect of the Land
“Land Valuation Summary Letter”	: The valuation summary letter dated 20 July 2017 and prepared by the Land Valuer as a summary of the information contained in the Land Valuation Report
“Land Valuer”	: Kumpulan Jurunilai Sdn Bhd
“Latest Practicable Date”	: 2 May 2018, being the latest practicable date prior to the printing of this Circular

DEFINITIONS

“Listing Manual”	: The Listing Manual of the SGX-ST
“NAV”	: Net asset value, being total assets less total liabilities and non-controlling interest
“NTA”	: Net tangible assets, being total assets less total liabilities and intangible assets
“Payment Period”	: The period of 30 days from the Unconditional Date
“PPE”	: Property, plant and equipment
“Proposed Acquisition”	: The acquisition of the Sale Shares, representing 100% of the issued and paid-up share capital of the Target Company, by the Purchaser from the Vendors on the terms and conditions of the SSA
“Proposed Allotment”	: The allotment and issuance of the Consideration Shares to Khor Sin Kok (or his nominees)
“Proposed Transactions”	: The Proposed Acquisition and the Proposed Allotment
“Purchaser”	: Polygold Holdings Sdn Bhd
“Retention Sum”	: The retention sum of RM720,000 which the Purchaser’s solicitors shall retain from the Deposit and remit to the Director-General within 60 days from the date of the SSA
“RM” and “sen”	: Malaysian Ringgit and sen, respectively, being the lawful currency of Malaysia
“S\$” and “cents”	: Singapore dollars and cents, respectively, being the lawful currency of Singapore
“Sale Conditions”	: Has the meaning ascribed to it in Section 3.4 of this Circular
“Sale Shares”	: 14,757,000 ordinary shares in the Target Company
“Securities Accounts”	: Securities accounts maintained by Depositors with CDP but not including securities sub-accounts maintained with a Depository Agent
“SFA”	: The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose Securities Accounts are credited with the Shares
“Shares”	: Ordinary shares in the capital of the Company
“SSA”	: The share purchase agreement dated 15 November 2017 entered into between the Purchaser and the Vendors in respect of the Proposed Acquisition

DEFINITIONS

“Target Company”	: Motivage Sdn Bhd
“Unconditional Date”	: The date on which the Sale Conditions are satisfied or otherwise waived by the Vendors and the Purchaser
“Valuation Reports”	: The Land Valuation Report and the Asset Valuation Reports
“Vendors”	: Khor Sin Kok and Khor Guat Bee
“VWAP”	: Volume weighted average price
“%” or “per cent”	: Per centum or percentage

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

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

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

Any reference to date and time of day in this Circular shall be a reference to Singapore date and time, unless otherwise stated.

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

LETTER TO SHAREHOLDERS

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200313131Z)

Board of Directors:

Dato' Jaya J B Tan (Non-Executive Chairman)
Datuk Goi Seng Hui (Non-Executive Vice-Chairman)
Dato' Kamal Y P Tan (Group Chief Executive Officer)
Mah Weng Choong (Independent Director)
Teo Chee Seng (Independent Director)
John Lyn Hian Woon (Independent Director)

Registered Office:

SGX Centre II, #17-01
4 Shenton Way
Singapore 068807

16 May 2018

To: The Shareholders of Envictus International Holdings Limited

Dear Shareholder

- (I) **THE PROPOSED ACQUISITION OF 100% OF THE TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF MOTIVAGE SDN BHD AS A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION; AND**
- (II) **THE ALLOTMENT AND ISSUE OF 15,775,210 CONSIDERATION SHARES AT AN ISSUE PRICE OF S\$0.3913 FOR EACH CONSIDERATION SHARE TO THE VENDORS, AS PART SATISFACTION OF THE CONSIDERATION FOR THE PROPOSED ACQUISITION.**

1. INTRODUCTION

- 1.1. On 15 November 2017, the Board announced that the Purchaser, a wholly-owned subsidiary of the Company, had entered into a share sale agreement ("**SSA**") with the Vendors on 15 November 2017 for the acquisition of 14,757,000 ordinary shares (the "**Sale Shares**"), representing 100% of the total issued and paid-up share capital of the Target Company, on the terms and conditions of the SSA (the "**Proposed Acquisition**"). The consideration for the Proposed Acquisition is RM24.0 million, of which RM5.0 million will be satisfied by way of cash and the remaining RM19.0 million will be satisfied by the allotment and issuance of 15,775,210 shares in the capital of the Company (the "**Consideration Shares**") to Khor Sin Kok, one of the Vendors holding 99.99% of the Sale Shares, or his nominees (the "**Proposed Allotment**").
- 1.2. The Board is convening an EGM to be held on 8 June 2018 at Crystal Suite, Level 2, Holiday Inn Singapore Orchard City Centre, 11 Cavenagh Road, Singapore 229616 to seek the approval of Shareholders for:
 - (a) the Proposed Acquisition as a major transaction under Chapter 10 of the Listing Manual and an interested person transaction which value exceeds 5% of the latest consolidated audited NTA value of the Group (the "**Proposed Acquisition**") pursuant to Chapter 9 of the Listing Manual (Ordinary Resolution 1); and
 - (b) the Proposed Allotment pursuant to Section 161 of the Companies Act and Rule 805(1) of the Listing Manual (Ordinary Resolution 2).
- 1.3. The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Transactions and to seek the approval of Shareholders for the resolutions relating to the Proposed Transactions at the EGM.

LETTER TO SHAREHOLDERS

2. INFORMATION ON THE TARGET COMPANY, THE SALE SHARES AND THE VENDORS

2.1. Information on the Target Company

The Target Company is a company incorporated in Malaysia on 26 January 2015 with its principal activities being food processing and trading in consumable products and property holdings and investments. It owns 2 plots of adjoining industrial land of 361,169 square feet in aggregate located at Lot 81 and Lot 82, Phase 2C, Section 4, Selangor Halal Hub, Pulau Indah, 42920 Port Klang (together, the “**Land**”). The Land is leasehold with a 99-year tenure expiring on 24 February 2097.

Pursuant to the Industrial Co-ordination Act 1973 of Malaysia, the Target Company has been issued a manufacturing licence from the Ministry of International Trade and Industry of Malaysia for the manufacture of sweetened condensed milk, evaporated milk, milk powder, sterilised milk and tin cans on the Land. The Target Company has also registered the “Motilait” and “Family Farm” trademarks with the Trade Mark Registry in Malaysia. While the Target Company has not commenced manufacturing operations presently, it is intended that the Target Company will engage in the manufacture of sweetened condensed milk and evaporated milk to be sold in Malaysia under the aforementioned brands. There are also plans to export the manufactured sweetened condensed milk and evaporated milk to overseas markets.

2.2. Information on the Sale Shares

The Sale Shares comprise 14,757,000 ordinary shares in the Target Company, representing 100% of the total issued and paid-up share capital of the Target Company, and are held by the Vendors in the following proportions:

Vendors	Number of Sale Shares
Khor Sin Kok	14,756,999
Khor Guat Bee	1

2.3. Information on the Vendors

Khor Sin Kok is a director and shareholder of the Target Company. He is also the Deputy Group Chief Executive Officer (“CEO”) and a shareholder of the Company. Khor Guat Bee is a director and shareholder of the Target Company. She is the sister of Khor Sin Kok. As of the Latest Practicable Date, Mr Khor Sin Kok holds 4,874,044 Shares, representing 3.86% of the existing share capital of the Company.

2.4. Key Financial Information on the Target Company

Based on the audited accounts of the Target Company for the financial year ended 31 December 2016, the Target Company has a book value and NTA of negative RM6,480 for the financial year ended 31 December 2016 and a book value and NTA of RM212,077 for the financial year ended 31 December 2015.

Based on the unaudited management accounts of the Target Company for the financial year ended 31 December 2017, the Target Company has a book value and NTA of RM13,575,000, after capitalisation of the amount due to the Target Company’s directors amounting to RM14,357,000.

3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

3.1. Share Purchase Agreement

The Vendors have agreed to sell and the Purchaser has agreed to purchase the Sale Shares on the terms and the conditions of the SSA entered into between the Purchaser and the Vendors in respect of the Proposed Acquisition.

LETTER TO SHAREHOLDERS

3.2. Consideration

The aggregate consideration payable by the Purchaser to the Vendors for the Sale Shares is RM24.0 million (the “**Consideration**”), of which RM5.0 million will be satisfied in cash and the remaining RM19.0 million will be satisfied by the issuance of 15,775,210 Consideration Shares to Khor Sin Kok (or his nominees).

The Consideration will be paid by the Purchaser in the following manner:

- (a) RM2.4 million (“**Deposit**”) was paid by cash to the Vendor’s solicitors, as stakeholder, upon the execution of the SSA; and
- (b) the remaining consideration of RM21.6 million (“**Balance Consideration**”), shall be paid to the Vendors within 30 days from the Unconditional Date (the “**Payment Period**”) as shall be satisfied as follows:
 - (i) RM2.6 million by cash to the Vendors; and
 - (ii) RM19.0 million by the allotment and issuance of 15,775,210 Consideration Shares to Khor Sin Kok (or his nominees) at an issue price of S\$0.3913 for each Consideration Share.

The Purchaser’s solicitors shall retain RM720,000 (the “**Retention Sum**”), representing 3% of the Consideration, from the Deposit and remit the Retention Sum to the Director General of the Inland Revenue of Malaysia (the “**Director-General**”) within 60 days from the date of the SSA in order to comply with the provisions of the Real Property Gains Tax Act 1976 of Malaysia, failing which a penalty equalling 10% of the Retention Sum shall be paid by the Purchaser to the Vendors. If completion of the Proposed Acquisition takes place (“**Completion**”), the Deposit (less the Retention Sum) shall be released to the Vendors on the Unconditional Date.

If the Balance Consideration cannot be paid by the Purchaser to the Vendors within the Payment Period, the Purchaser is given an additional 1 month to pay the Balance Consideration, subject to the payment of late payment interest at 8% per annum on the amount of the Balance Payment not paid.

The Consideration for the Sale Shares was arrived at after arm’s length negotiations on a “willing buyer willing seller” basis, after taking into consideration, amongst others, the market value of the Land owned by the Target Company under the Land Valuation Report and its potential business prospects. Please refer to Section 7.3(a) for further details on the Land Valuation Report.

It is intended that following the completion of the Proposed Acquisition, the Group will inject funds of approximately RM55,021,000 (inclusive of GST) (“**Proposed Cash Injection**”) into the Target Company to, amongst others, set up and construct the manufacturing and distribution operations of the dairy business and purchase machinery and vehicles for the dairy business. The Cash Injection will be used for the following purposes and funded by way of cash (to be raised by way of future fund raising exercises to be carried out by the Company) and bank borrowings extended to the Target Company as follows:

	Amount of Proposed Cash Injection (RM’000)	Funding by way of cash (RM’000)	Funding by way of bank borrowings (RM’000)
Factory Building	24,486	7,486	17,000
Professional Fees	1,224	1,224	–
Plant & Machinery	26,191	5,691	20,500
Distribution Vehicles	2,120	2,120	–
Pre-operation Expenditure	1,000	1,000	–
Total	55,021	17,521	37,500

LETTER TO SHAREHOLDERS

3.3. Source of Funds

The cash portion of the Consideration of RM5.0 million will be funded by the Group's internal resources.

3.4. Sale Conditions

The completion of the Proposed Acquisition is conditional upon, amongst others (the "**Sale Conditions**"):

- (a) approval from the shareholders of the Company having been obtained at an extraordinary general meeting to be convened for, amongst others, the purchase of the Sale Shares as an interested person transaction, the issue and allotment of the Consideration Shares at the relevant issue price and all transactions contemplated under the SSA as may be required under the Listing Manual; and
- (b) approval-in-principle being obtained from the SGX-ST for the listing and quotation of the Consideration Shares on the Official List of the SGX-ST and such approval not being revoked or amended as at Completion and where such approval is subject to conditions, such conditions being reasonably acceptable to the Vendors.

If the Sale Conditions are not satisfied within 6 months from the date of the SSA (or such extended period as may be agreed between the parties) (the "**Long-Stop Date**"), the SSA shall be rescinded or terminated, as the case may be. In addition:

- (a) if the Sale Conditions were not satisfied by the Long-Stop Date by reason of the default or omission of the Purchaser, the Deposit (inclusive of any Retention Sum not paid to the Director-General) will be forfeited and the Vendors shall be entitled to any Retention Sum refunded by the Director-General to the Purchaser;
- (b) if the Sale Conditions were not satisfied by the Long-Stop Date by reason of the default or omission of the Vendors, the Deposit (inclusive of any Retention Sum not paid to the Director-General) shall be refunded to the Purchaser together with a break fee equal to the Deposit within 14 days from the receipt of a written notice requesting for such refund, failing which interest at the rate of 8% per annum shall be charged on the Deposit until the date that the refund is made, and the Purchaser shall be entitled to any Retention Sum refunded by the Director-General to the Purchaser; or
- (c) if the Sale Conditions were not satisfied by the Long-Stop Date due to no fault of either party, the Deposit (inclusive of any Retention Sum not paid to the Director-General) shall be refunded to the Purchaser with no break fee, and the Purchaser shall be entitled to any Retention Sum refunded by the Director-General to the Purchaser.

The Long-Stop Date was mutually extended by the parties to 9 months from the date of the SSA (or such extended period as may be agreed between the parties).

4. THE PROPOSED ALLOTMENT AND ISSUANCE OF CONSIDERATION SHARES

- 4.1. Rule 805(1) of the Listing Manual provides that an issuer must obtain the prior approval of shareholders in general meeting for the issuance of shares unless such issuance is being made pursuant to a general mandate obtained from Shareholders.
- 4.2. As part satisfaction of the Consideration for the Proposed Acquisition, 15,775,210 Consideration Shares will be issued to Khor Sin Kok (or his nominees), representing 12.5% of the existing share capital of the Company as of the Latest Practicable Date, and 11.1% of the enlarged share capital of the Company following the completion of the Proposed Allotment. As the Consideration Shares are not being issued pursuant to a general mandate obtained from Shareholders, the issue of the 15,775,210 Consideration Shares as part satisfaction of the Consideration requires the approval of Shareholders.

LETTER TO SHAREHOLDERS

4.3. The issue price of S\$0.3913 for each Consideration Share was determined based on the VWAP of the Shares for trades done on the SGX-ST on 12, 13, 16 and 17 October and 7 November 2017, being the last 5 market days on which Shares were traded immediately preceding the date of the SSA and based on an exchange rate of S\$1 = RM3.0780 on 14 November 2017. The issue price represents a discount of 2.2% to the VWAP of S\$0.40 of the Shares for trades done on the SGX-ST on 7 November 2017, being the last full market day when Shares were traded preceding the date of the SSA.

4.4. The Consideration Shares shall be issued free from all encumbrances and shall rank *pari passu* in all respects with and carry all rights similar to the Shares existing as at the date of the allotment and issue of the Consideration Shares, save for any dividends, rights, allotments or other distributions, the record date of which falls before the issuance of the Consideration Shares.

4.5. Additional Listing Application

The Company has submitted an application to the SGX-ST for the listing and quotation of the Consideration Shares on the SGX-ST. The Company has on 9 April 2018 received approval-in-principle from the SGX-ST for the listing and quotation of the Consideration Shares on the Mainboard of the SGX-ST, subject to compliance with the SGX-ST's listing requirements and independent Shareholders' approval for the Proposed Acquisition and the Proposed Allotment of the Consideration Shares pursuant to Rules 1014(2) and 906(1) of the Listing Manual. The approval-in-principle from the SGX-ST is not to be taken as an indication of the merits of the Proposed Acquisition, the Proposed Allotment, the Consideration Shares, the Company and/or its subsidiaries.

5. INTERESTED PERSON TRANSACTION

5.1. Details of the Interested Person

As at the Latest Practicable Date, Khor Sin Kok is a Deputy Group CEO of the Company. Under Chapter 9 of the Listing Manual, an "interested person" includes a CEO but does not expressly include a Deputy Group CEO. Khor Sin Kok is nevertheless regarded as an "interested person" within the meaning of Chapter 9 of the Listing Manual as he has similar duties/functions to the CEO. Khor Guat Bee is an associate of Khor Sin Kok, being his sister, and is therefore also an "interested person" within the meaning of Chapter 9 of the Listing Manual.

5.2. Interested Person Transaction

Under Chapter 9 of the Listing Manual, where a company proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of the company's latest audited NTA, shareholders' approval is required in respect of the transaction.

Based on the Group's audited consolidated financial statements for FY2016, the Group's audited NTA is RM311,532,000. The value of the Proposed Acquisition and Proposed Cash Injection, being the amount at risk to the Company, is RM79,021,000. The aggregate value of the Proposed Acquisition and Proposed Cash Injection against the Group's audited NTA is 25.4%, which exceeds 5.0% of the Group's audited NTA for FY2016.

Accordingly, the Proposed Acquisition is an interested person transaction which requires the approval of Shareholders pursuant to Rule 906(1)(a) of the Listing Manual.

5.3. Abstention from Voting

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

LETTER TO SHAREHOLDERS

Khor Sin Kok is a shareholder of the Company holding 4,874,044 Shares, representing 3.86% of the existing share capital of the Company as of the Latest Practicable Date. Accordingly, Khor Sin Kok shall therefore abstain, and has undertaken to ensure that his associates will abstain, from voting in respect of each of their shareholdings in the Company on Ordinary Resolution 1 and Ordinary Resolution 2 relating to the Proposed Acquisition and the Proposed Allotment respectively. Khor Sin Kok has also undertaken to decline, and ensure that his associates will also decline, to accept appointment as proxies to vote at and attend the forthcoming EGM in respect of Ordinary Resolution 1 and Ordinary Resolution 2 relating to the Proposed Acquisition and the Proposed Allotment respectively, unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

5.4. Opinion of Independent Financial Adviser

Chapter 9 of the Listing Manual provides that, where shareholders' approval is required for an interested person transaction, the Circular must include an opinion from an independent financial adviser as to whether such transaction is on normal commercial terms and if it is prejudicial to the interests of the Company and its minority shareholders.

Asian Corporate Advisors Pte Ltd ("IFA") has been appointed as the independent financial adviser to advise the Independent Directors on whether the Proposed Acquisition is on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders. Each Director is deemed to be an Independent Director for the purpose of the Proposed Acquisition.

A copy of the letter dated 16 May 2018 from the IFA (the "IFA Letter"), containing its opinion in full, is set out in Appendix A to this Circular. Shareholders are advised to read the IFA Letter carefully and in its entirety. The advice of the IFA to the Independent Directors has been extracted from the IFA Letter and is reproduced in italics below:

*"In summary, having regard to our analysis and the consideration in this Letter (including its limitations and constraints, inter alia, absence of valuation for un-appraised PPE with net book value of approximately RM170.5 million as at 31 March 2018) and after having considered carefully the information available to us and based on market, economic and other relevant conditions prevailing as at the Latest Practicable Date, and subject to our terms of reference, **we are of the opinion that, on balance, the Proposed Acquisition as an IPT, is ON NORMAL COMMERCIAL TERMS, and NOT PREJUDICIAL to the interest of the Company and its Minority Shareholders.***

*Notwithstanding the Issue Price for the Consideration Shares is at substantial discount from the Group's RNAV and RNTA, we consider the financial terms of the Proposed Acquisition as an IPT to be, on balance, **ON NORMAL COMMERCIAL TERMS**, from a financial point of view after factoring, inter alia, the following:*

- (i) The Issue Price for the Consideration Shares is relatively in line with the historical market prices for the Shares considering, inter alia, (a) the Issue Price is at a discount of approximately 2.2% from the last transacted price for the Shares on the Last Trading Day prior to the Announcement Date; (b) the Issue Price is at a discount of approximately 12.7% and 2.8% from the VWCP for the Shares for the 12-month and 6-month periods prior to the Announcement Date respectively; (c) the Issue Price is at a premium of approximately 2.5% and 0.3% over the VWCP for the Shares for the 3-month and 1-month periods prior to the Announcement Date; and (d) the Issue Price is at a premium of approximately 2.7% over the VWCP for the Shares for the period commencing on the Market Day immediately after the Announcement Date and ending on the Latest Practicable Date. It is also noted that the Issue Price is at a premium of approximately 11.8% over the last transacted price of S\$0.350 per Share on SGX-ST on 2 May 2018, being the last Trading Day prior to the Latest Practicable Date.*

LETTER TO SHAREHOLDERS

- (ii) *Fair comparison of the valuation of the Group as implied by the Issue Price in terms of P/RNAV and P/RNTA with the Selected Comparable Companies after considering, inter alia, the weaker historical financial performance of the Group (loss making for the LTM ended 31 March 2018) as compared to the Selected Comparable Companies which were mostly profitable (save for OCB, Berjaya Food, China Kangda and Rex).*
- (iii) *The Consideration represents a premium of approximately 27.3% over the Target Company's RNAV and/or RNTA (or implied P/RNAV or P/RNTA of 1.3 times). The Target Company's P/RNAV ratio of 1.3 times as implied by the Consideration and the RNAV is fairly comparable with the valuation multiple for the Selected IPT Acquisitions.*

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

- (i) *The Directors' view that the Proposed Transactions are in the best interest of the Company in view of, inter alia, (a) the Proposed Acquisition is in line with the Group's long term growth strategy to expand its business through mergers and acquisitions; (b) the Proposed Acquisition will provide the Group with an additional income stream from the sale of dairy products, a business that the Group had previously ventured into and made a significant gain on disposal; (c) the Group has significant experience in the dairies business and is of the view that it will be able to leverage on such experience when the Target Company commences operations and replicate the success of the previously owned dairies division; (d) the Target Company has identified a group of senior management executives who have established track records and many years of experience in running and managing large regional food and beverage companies, including overseeing the setting up, financing, manufacturing and distribution operations of dairy businesses in Malaysia and exporting dairy products, in particular sweetened condensed milk and evaporated milk; and (e) the issuance of the Consideration Shares will conserve the Group's cash resources and will further incentivise Mr Khor Sin Kok and align his interests with the Group's interests.*
- (ii) *The Directors' confirmation that as at the Latest Practicable Date, they are not aware of any firm/formal offer for alternative investment/business expansion or acquisition opportunity available to the Company, which is comparable in nature, size and scope to the Proposed Acquisition.*
- (iii) *The dilution impact on existing Independent Shareholders' interest which we considered in the context that: (a) the Consideration shall be satisfied by issuance of the 15,775,210 Consideration Shares and RM5.0 million in cash and in the event that the Company would raise funds via private placement or rights issue, there would likely be more new Shares issued as the issue price for private placement or rights issue would likely be at higher discount than the discount of approximately 2.2% implied by the Issue Price from the last transacted price for the Shares on being the Last Trading Day prior to the Announcement Date; and (b) the Directors' view that the issuance of the Consideration Shares will conserve the Group's cash resources and will further incentivise Mr Khor Sin Kok and align his interests with the Group's interests.*

Recommendation

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

LETTER TO SHAREHOLDERS

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

Matters to highlight

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

- (1) The scope of our appointment does not require us to express, and we do not express and have not commented on or assessed the expected future performance or prospects of the Company or the Group or the Target Company or the Enlarged Group after the completion of the Proposed Acquisition. Accordingly, our evaluation and opinion and recommendation do not and cannot take into account future or prospective performance of the Company or the Group or the Target Company (including, inter alia, the setting up of the Target Company's dairy business and its manufacturing facility in Malaysia) or the Enlarged Group and neither are we responsible for it. We are therefore not expressing any view herein as to the prices at which the Shares may trade upon completion or rejection of the Proposed Acquisition or the other transactions or resolutions stipulated in the Circular (if any) or voting for or voting against the Proposed Acquisition or the other transactions or resolutions stipulated in the Circular (if any) or on the future financial performance of the Company or the Group or the Target Company or the Enlarged Group or the plans (if any) for each of them (including, inter alia, the setting up of the Target Company's dairy business and its manufacturing facility in Malaysia). Estimates or analysis or evaluation of the merits of the Company or the Group or the Target Company or the Proposed Acquisition as IPTs, if any, in this Letter are necessarily limited and we do not warrant or represent that it is complete or in entirety.*
- (2) Our scope does not require us and we have not made any independent evaluation or appraisal of the Group's assets and liabilities (including without limitation, property, plant and equipment, and investment properties) and the Target Company's assets and liabilities (including without limitation, property, plant and equipment) or contracts entered into by the Group or Target Company and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into by the Group or the Target Company save for the Asset Valuation Reports, the Land Valuation Report and the Confirmation Letter. With respect to such valuation, we are not experts in the evaluation (including without limitation, market value or economic potential) or appraisal of assets and liabilities (including without limitation, property, plant and equipment, and investment properties) including inter alia the contracts or agreements that the Group or the Target Company has embarked upon or are about to embark upon and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.*
- (3) The Directors are of the opinion that, save for the Revalued Assets, the values of the assets and liabilities as well as the financial performance or condition of the Group as reflected in the unaudited financial statements for the Group as at 31 March 2018 are true and fair. Likewise, the Target Directors are of the opinion that to the best of their knowledge and beliefs, save for the Land, the values of the assets and liabilities as well as the financial performance or condition or position of the Target Company as reflected in the unaudited financial statements for T3M2018 are true and fair in any material aspect.*

LETTER TO SHAREHOLDERS

- (4) *The Directors and the Target Directors further confirmed that as at the Latest Practicable Date and save for matters disclosed in this Letter, the unaudited financial statements for the Group for HY2018 and FY2017, and the unaudited financial statements for the Target Company for T3M2018 and TFY2017, there has been no material changes to the Group's and Target Company's assets and liabilities, financial position, condition and performance.*

Specific objectives

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

5.5. Audit Committee's Statement

Having considered the terms, the rationale and the benefits of the Proposed Acquisition, and the opinion of the IFA on the Proposed Acquisition, the Audit Committee concurs with the opinion of the IFA and is of the view that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

6. RATIONALE

- 6.1. On 30 June 2014, the Group completed the disposal of its dairies and packaging business and the relevant intellectual properties to Asahi Group Holdings Southeast Asia Pte Ltd for a consideration of US\$328,787,704 and made a significant gain of RM607.5 million from the disposal. The Proposed Acquisition is in line with the Group's long term growth strategy to expand its business through mergers and acquisitions. The Proposed Acquisition will provide the Group with an additional income stream from the sale of dairy products, a business that the Group had previously ventured into previously and made a significant gain on disposal.
- 6.2. Given that the Group previously operated a dairies and packaging business, it therefore has significant experience in the dairies business and is of the view that it will be able to leverage on such experience when the Target Company commences operations in the manufacturing of dairy products. The Group plans to grow the Target Company and replicate the success of the dairies division which it previously owned. The Target Company has identified a group of senior management executives who have established track records and many years of experience in running and managing large regional food and beverage companies, including overseeing the setting up, financing, manufacturing and distribution operations of dairy businesses in Malaysia and exporting dairy products, in particular sweetened condensed milk and evaporated milk. It is intended that these key executives will be employed to form the management team of the Target Company and will bring along their experience in procurement, manufacturing, sales and marketing and general management to ensure success with the support from the Group's management and financial resources. Notwithstanding that the Group was loss-making for FY2017, the Board is of the view that the Group's previous track record in operating a dairies business and the experience of these key executives, the dairies business under the Proposed Acquisition has significant potential for the generation of revenue and profit for the Group.
- 6.3. While the Target Company has not commenced manufacturing operations presently, the Group is of the view that it will be able to deploy its expertise and experience in operating a dairies business to provide useful and strategic input into the setting up of the operations of dairy business of the Target Company. Additionally, the Purchaser was able to obtain a good price for the Proposed Acquisition given that the Target Company has not commenced manufacturing operations. As described in Section 3.2 above, the Cash Injection into the Target Company will be made by way of cash (to be raised by way of future fund raising exercises to be carried out by the Company) and bank borrowings extended to the Target Company.

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- 6.4. The Board is of the view that the issuance of the Consideration Shares to Khor Sin Kok, the Deputy Group CEO of the Company, will further incentivise his work in the Group and align his interests with the Group's interests. The issuance of the Consideration Shares as part satisfaction of the Proposed Acquisition will also conserve the Group's cash resources.

7. VALUE OF THE SALE SHARES

7.1. Book Value and Net Asset Value

Based on the latest management financial statements of the Target Company for the 3 months financial period ended 31 March 2018, the book value and net asset value ("**NAV**") of the Sale Shares and fair value adjustment of RM7,604,000 on the Land (as of 31 March 2018), are both RM21,137,000.

7.2. Net Loss

Based on the latest management financial statements of the Target Company for the 3 months financial period ended 31 March 2018, the net loss after tax attributable to the Sale Shares is approximately RM42,000.

7.3. Valuation

(a) Valuation of Assets of Target Company.

The Purchaser commissioned Kumpulan Jurunilai Sdn Bhd (the "**Land Valuer**"), an independent valuer, to undertake a valuation of the Land owned by the Target Company for the purpose of the Proposed Acquisition. The Land Valuer valued the open market value of the Land at RM21.0 million as of 8 July 2017 in their valuation report dated 20 July 2017 (the "**Land Valuation Report**") using the comparison-based valuation approach.

A copy of the Land Valuation Summary Letter is set out in Appendix B to this Circular.

(b) Valuation of Assets of the Group.

For the purposes of the IFA Letter, the Purchaser also engaged the Asset Valuers to perform a valuation of the investment properties, selected freehold land, factory buildings, leasehold land, office buildings and selected plant and machinery owned by Pok Brothers Sdn Bhd, De-luxe Food Services Sdn Bhd, Eureka Capital Sdn Bhd, Gourmessa Sdn Bhd and Polygold Beverages Sdn Bhd, each a subsidiary of the Company, as detailed below. In this regard, all the land, building and properties of the Group have been valued, other than the 2 newly constructed factory buildings in Pulau Indah, Selangor, and 2 apartments in Shah Alam, Selangor which are being used as staff quarters (the "**Excluded Properties**").

IM Global Property Consultants Sdn. Bhd. issued 3 valuation reports, each dated 26 December 2017, valuing machinery and equipment utilized for frozen food production and bakery production owned by Pok Brothers Sdn Bhd, Gourmessa Sdn Bhd and De-luxe Food Services Sdn Bhd, each a subsidiary of the Company, at RM20,396,737, as of 13 December 2017. The book value of such assets as at 31 March 2018 was RM10,261,354, resulting in a valuation surplus of RM10,135,383.

JS Valuers Property Consultants Sdn Bhd issued a valuation report dated 11 December 2017, valuing the office building in Petaling Jaya, Selangor owned by Eureka Capital Sdn Bhd, a subsidiary of the Company, at RM41,500,000, as of 6 December 2017. The book value of such assets as at 31 March 2018 was RM40,967,855, resulting in a valuation surplus of RM532,145.

Kumpulan Jurunilai Sdn Bhd issued 10 valuation reports, each dated 5 December 2017, valuing the land in Pulau Indah, Selangor (other than the Excluded Properties) and factory building and warehouse in Seremban owned by Polygold Beverages Sdn Bhd, a subsidiary of the Company, at RM103,447,990, as of 26 October 2017 and 4 December 2017. The book value of such assets as at 31 March 2018 was RM63,981,912, resulting in a valuation surplus of RM39,466,078.

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Savills (Malaysia) Sdn Bhd issued 6 valuation reports, 1 report dated 6 December 2017 and 5 reports dated 12 December 2017, valuing the warehouse, cold room and shop office in Penang, Johor, Selangor and Pahang owned by Pok Brothers Sdn Bhd, a subsidiary of the Company, at RM28,620,000, as of 6 December 2017 and 12 December 2017. The book value of such assets as at 31 March 2018 was RM17,415,039, resulting in a valuation surplus of RM11,204,961.

Copies of the Asset Valuation Summary letters are set out in Appendix C to this Circular.

8. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

8.1. Assumptions

The pro forma financial effects of the Proposed Transactions on the Group have been prepared based on the figures derived from the Group's audited consolidated financial statements for FY2017 and are purely for illustration purposes only and do not reflect the actual future results and financial position of the Group following the completion of the Proposed Acquisition.

8.2. NTA

For illustrative purposes and assuming the Proposed Acquisition had been completed on 30 September 2017, the pro forma financial effects on the consolidated NTA for FY2017 are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (RM)	272,438,000	297,543,000
Number of Shares	126,143,289	141,918,499
NTA per Share (RM)	2.16	2.10

8.3. Loss per Share

For illustrative purposes and assuming the Proposed Acquisition had been completed on 1 October 2016, the pro forma financial effects on the Loss per Share of the Group for FY2017 are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss attributable to Shareholders after tax (RM)	(52,405,000)	(53,903,000)
Number of weighted average Shares	126,143,289	141,918,499
Loss per Share (RM sen)	(41.54)	(37.98)

The increase in Net loss is due to:

	Amount of Net Loss (RM)
Loss after tax of the Target Company for the financial year ended 31 December 2017	(776,000)
Estimated incidental acquisition expenses	(572,000)
Interest income forgone on cash consideration based on a fixed deposit rate of 3%	(150,000)
Total	(1,498,000)

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8.4. Share Capital

For illustrative purposes and assuming the Proposed Acquisition had been completed on 30 September 2017, the effect of the Proposed Acquisition on the share capital of the Company for FY2017 will be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Total number of Shares (excluding treasury shares)	126,143,289	141,918,499
Total issued and paid-up capital	S\$46,710,654.955	S\$52,883,494.955

8.5. Gearing

For illustrative purposes and assuming the Proposed Acquisition had been completed on 30 September 2017 and assuming that bank borrowings of RM37,500,000 are taken up for the purposes of the Proposed Cash Injection into the Target Company as described in Section 3.2 above, the effect of the Proposed Acquisition on the gearing ratio of the Group for FY2017 will be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Total Borrowings (RM)	139,072,000	176,572,000
Shareholders' funds (RM)	314,855,000	333,855,000
Gearing ratio (times)	0.44	0.53

9. SHAREHOLDERS' APPROVAL

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST ("**Listing Manual**") are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	Net asset value of the Sale Shares to be disposed of, compared with the Group's net asset value	Not applicable
(b)	Net loss before tax attributable to the Sale Shares acquired, compared with the Group's net loss before tax and minority interests	-0.63 ⁽¹⁾
(c)	The aggregate value of the consideration given for the Sale Shares, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	50.9 ⁽²⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	12.5 ⁽³⁾
(e)	The aggregate volume or amount of proved and probable reserved to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

LETTER TO SHAREHOLDERS

Notes:

- (1) Based on the net loss before tax of the Target Company for the 12-month period ended 30 September 2017 of RM310,000 and the net loss before tax for the Group for the financial year ended 30 September 2017 of RM49,440,000.
- (2) Based on the aggregate of the Consideration and the Proposed Cash Injection and the issued share capital of the Company of 126,143,289 Shares and the weighted average price of S\$0.40 transacted on the Mainboard of the SGX-ST on 7 November 2017, being the last market day preceding the date of the SSA on which trades were done on the SGX-ST.
- (3) Based on 15,775,210 Consideration Shares to be issued and allotted by the Company in part satisfaction of the Consideration.

As the relative figure on the base set out in Rule 1006(c) exceeds 20%, the Proposed Acquisition constitutes a major transaction as defined in Chapter 10 of the Listing Manual and is subject to the approval of the Shareholders at the EGM.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

10.1. Interests of Directors

The interests of the Directors 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	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Dato' Jaya J B Tan	19,757,472	15.66	20,190,214 ⁽²⁾	16.00
Datuk Goi Seng Hui	11,606,664	9.20	15,590,700 ⁽³⁾	12.36
Dato' Kamal Y P Tan	19,700,214	15.61	20,247,472 ⁽⁴⁾	16.05
Mah Weng Choong	6,287,444	4.98	—	—
Teo Chee Seng	30,000	0.02	—	—
John Lyn Hian Woon	301,100	0.24	—	—

Notes:

- (1) The percentage of Shares is computed based on 126,143,289 Shares, being the total number of issued voting shares of the Company (excluding treasury shares) as at the Latest Practicable Date.
- (2) Dato' Jaya J B Tan is deemed interested in the shares held by Dato' Kamal Y P Tan and Dato' Kamal Y P Tan's spouse.
- (3) Datuk Goi Seng Hui is deemed interested in the shares held by Tee Yih Jia Food Manufacturing Pte Ltd.
- (4) Dato' Kamal Y P Tan is deemed interested in the shares held by Dato' Kamal Y P Tan's spouse and Dato' Jaya J B Tan.

LETTER TO SHAREHOLDERS

10.2. Interests of 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 set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Substantial Shareholders				
Dato' Jaya J B Tan	19,757,472	15.66	20,190,214	16.00
Dato' Kamal Y P Tan	19,700,214	15.61	20,247,472	16.05
Tee Yih Jia Food Manufacturing Pte Ltd	15,590,700	12.36	—	—
Datuk Goi Seng Hui	11,606,664	9.20	15,590,700	12.36

Notes:

- (1) The percentage of Shares is computed based on 126,143,289 Shares, being the total number of issued voting shares of the Company (excluding treasury shares) as at the Latest Practicable Date.

- 10.3. None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Transactions, save for their interests by virtue of their shareholdings and/or directorships (as the case may be) in the Company as disclosed above.

11. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transactions and accordingly, no service contract is proposed to be entered into between the Company and any such person.

12. DIRECTORS' RECOMMENDATION

Having considered the terms, the rationale and the benefits of the Proposed Transactions, the Directors are of the view that the Proposed Transactions are in the best interests of the Company and accordingly recommend that the Shareholders vote in favour of the resolutions for the Proposed Transactions.

13. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 138 of this Circular, will be held on 8 June 2018 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions as set out in the Notice of EGM.

14. INTER-CONDITIONALITY

Shareholders' approval for the Proposed Acquisition is sought in a separate resolution (namely, Ordinary Resolution 1) from the resolution to approve the proposed issue and allotment of the Considerations (namely, Ordinary Resolution 2) at the EGM. Shareholders should note that Ordinary Resolution 1 and Ordinary Resolution 2 are inter-conditional. This means that if Ordinary Resolution 2 is not approved, Ordinary Resolution 1 would not be approved, and if Ordinary Resolution 1 is not approved, Ordinary Resolution 2 would not be approved. The inter-conditional resolutions are inter-conditional as they are integral parts of the same transaction, namely the Proposed Acquisition.

LETTER TO SHAREHOLDERS

15. ABSTENTION FROM VOTING

As described in Section 5.3 above, Khor Sin Kok shall abstain, and shall procure that his associates will abstain, from voting in respect of each of their shareholdings in the Company on Ordinary Resolution 1 and Ordinary Resolution 2 relating to the Proposed Acquisition and the Proposed Allotment respectively.

Khor Sin Kok shall, and shall procure that his associates shall, decline to accept appointment as proxies to vote at and attend the forthcoming EGM in respect of Ordinary Resolution 1 and Ordinary Resolution 2 relating to the Proposed Acquisition and the Proposed Allotment respectively, unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

16. DOCUMENTS FOR INSPECTION

The following documents are available for inspection during normal business hours at the registered office of the Company at SGX Centre II, #17-01, 4 Shenton Way, Singapore 068807 for 3 months from the date of this Circular:

- (a) the Constitution of the Company;
- (b) the IFA Letter;
- (c) the Valuation Reports; and
- (d) the letters of consent referred to in paragraph 19 of this Circular.

17. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to reach 50 Raffles Place, Singapore Land Tower, #32-01 Singapore 048623, not later than 72 hours before the time for holding the EGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes.

18. DIRECTORS' RESPONSIBILITY STATEMENT

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

19. CONSENTS

- 19.1. The IFA, Asian Corporate Advisors Pte. Ltd., has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter set out in Appendix A of this Circular and all references thereto in the form and context in which they appear in this Circular.
- 19.2. The Land Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the Land Valuation Summary Letter set out in Appendix B of this Circular and all references thereto in the form and context in which they appear in this Circular.

LETTER TO SHAREHOLDERS

19.3. Each Asset Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the relevant Asset Valuation Summary Letter set out in Appendix C of this Circular and all references thereto in the form and context in which they appear in this Circular.

Yours faithfully

For and on behalf of the Board of Directors of

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

Dato' Jaya J B Tan

Non-Executive Chairman

APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

LETTER FROM ASIAN CORPORATE ADVISORS PTE. LTD. TO THE INDEPENDENT DIRECTORS OF ENVICTUS INTERNATIONAL HOLDINGS LIMITED

ASIAN CORPORATE ADVISORS PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200310232R)

160 Robinson Road #21-05
SBF Center
Singapore 068914

The Independent Directors
Envictus International Holdings Limited
SGX Centre II, #17-01
4 Shenton Way
Singapore 068807

16 May 2018

THE PROPOSED ACQUISITION OF 100% OF THE TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF MOTIVAGE SDN BHD AS AN INTERESTED PERSON TRANSACTION

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

1. INTRODUCTION

On 15 November 2017 (the “**Announcement Date**”), Envictus International Holdings Limited (“**Envictus**” or the “**Company**”) announced that its wholly-owned subsidiary, Polygold Holdings Sdn Bhd (“**Purchaser**” or “**Polygold**”), had entered into a share sale agreement (“**SSA**”) with Mr Khor Sin Kok and Ms Khor Guat Bee (collectively, the “**Vendors**”) on the same date for the acquisition of 14,757,000 ordinary shares (the “**Sale Shares**”), representing 100% of the total issued and paid-up share capital of Motivage Sdn Bhd (“**Target Company**”), on the terms and conditions of the SSA (the “**Proposed Acquisition**”). The consideration for the Proposed Acquisition (“**Consideration**”) is RM24.0 million, of which RM5.0 million will be satisfied by way of cash and the remaining RM19.0 million will be satisfied by the allotment and issuance of 15,775,210 shares in the capital of the Company (the “**Consideration Shares**”) at an issue price of S\$0.3913 for each Consideration Share (the “**Issue Price**”) to Mr Khor Sin Kok (or his nominees) (the “**Proposed Allotment**”).

It is noted from the circular dated 16 May 2018 (“**Circular**”) issued by the Company to the registered holders (“**Shareholders**”) of the ordinary shares in the capital of the Company (“**Shares**”) that the Vendors are the directors and shareholders of the Target Company. As at 2 May 2018 (the “**Latest Practicable Date**”), Mr Khor Sin Kok is the Deputy Group Chief Executive Officer (“**CEO**”) and a Shareholder of the Company. Under Chapter 9 of the Listing Manual (“**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), an “interested person” includes a CEO but does not expressly include a Deputy Group CEO. Mr Khor Sin Kok is nevertheless regarded as an “interested person” within the meaning of Chapter 9 of the Listing Manual as he has similar duties/functions to the CEO. Ms Khor Guat Bee is an associate of Mr Khor Sin Kok, being his sister, and is therefore also an “interested person” within the meaning of Chapter 9 of the Listing Manual.

We further note from the Circular that based on the Group’s audited consolidated financial statements for the financial year ended 30 September 2016 (“**FY2016**”), the Group’s audited net tangible assets (“**NTA**”) is approximately RM311.5 million. The value of the Proposed Acquisition and Proposed Cash Injection (as defined in the Circular), being the amount at risk to the Company, is approximately RM79.0 million. The aggregate value of the Proposed Acquisition and Proposed Cash Injection against the Group’s audited NTA is 25.4%, which exceeds 5% of the Group’s FY2016 audited NTA. Accordingly, the Proposed Acquisition is

APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

an interested person transaction (“**Interested Person Transaction**” or “**IPT**”) which requires the approval of Shareholders pursuant to Rule 906(1)(a) of the Listing Manual.

To comply with the requirements of Chapter 9 of the Listing Manual, Asian Corporate Advisors Pte. Ltd. (“**ACA**”) has been appointed as an independent financial adviser (“**IFA**”) to provide opinion on whether the financial terms of the Proposed Acquisition as an IPT, are on normal commercial terms and are not prejudicial to the interests of the Company and minority Shareholders of the Company (“**Minority Shareholders**”).

This letter (the “**Letter**” or “**IFA Letter**”) has been prepared pursuant to Rule 921(4) of the Listing Manual as well as for the use by the directors of the Company (“**Directors**”) who are deemed independent (the “**Independent Directors**”), for the purposes of making a recommendation to Shareholders in respect of the Proposed Acquisition. We note from the Circular that the Independent Directors as at the Latest Practicable Date comprises all Directors.

This Letter sets out, *inter alia*, our views and evaluation of the Proposed Acquisition as an IPT which has been proposed as ordinary resolutions in the notice of the Extraordinary General Meeting (“**EGM**”) of the Company as set out in the Circular to the Shareholders. Likewise, it contains our recommendations to the Independent Directors in relation to whether the Proposed Acquisition as an IPT is made on normal commercial terms and are not prejudicial to the interests of the Company and the Minority Shareholders.

This Letter is prepared for inclusion in the Circular in connection with, *inter alia*, the Proposed Acquisition as an IPT. For the purposes of this Letter, references to independent Shareholders (“**Independent Shareholders**”) shall in the context of the Proposed Acquisition, mean Shareholders other than the interested persons and/or their associates as defined by the Listing Manual.

Unless otherwise defined or where the context otherwise requires, the definitions used in the Circular shall apply throughout this Letter. Certain figures and computations as enumerated or set out in this letter are based on approximations and its accuracy is subject to rounding.

2. TERMS OF REFERENCE

ACA has been appointed by the Company pursuant to Rule 921(4) of the Listing Manual as well as to advise the Independent Directors with respect to the Proposed Acquisition, being an IPT under Chapter 9 of the Listing Manual. We were neither a party to the negotiations entered into by the Company in relation to the Proposed Acquisition as an IPT, nor were we involved in the deliberation leading up to the decision on the part of the Directors to enter into the Proposed Acquisition. We do not, by this Letter or otherwise, advise or form any judgment on the merits of the transactions contemplated in the Circular (the “**Proposed Transactions**”) for the Company and its subsidiaries (the “**Group**”) or the possibilities or feasibilities of the completion of the Proposed Acquisition or the timing on when the Proposed Acquisition can be completed or whether there are alternative transactions available other than to form an opinion, strictly and solely on the bases set out herein on whether the financial terms of the Proposed Acquisition as an IPT (pursuant to Rule 921(4) of the Listing Manual) are on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders.

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

In addition, our scope does not require us to opine on the ability of the Group or the Target Company to service its borrowings (both principal and interest payment) when it falls due or to finance the construction and setting up of the Target Company’s dairy business in Malaysia or the adequacy of the working capital or the future financial performance or position of the Company, the Group or the Target Company subsequent

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to the Proposed Acquisition as an IPT or the possibility or probability that the Group can improve their profitability or that the anticipated benefits from the Proposed Acquisition can be realised (as the case may be). Such evaluation or comment remains the responsibility of the Directors and management (“**Management**”) of the Company or where applicable the directors of the Target Company (“**Target 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 view as set out in this Letter.

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

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

Our evaluation is based solely on publicly available information and other information provided by the Company as well as the economic and market conditions prevailing as at the Latest Practicable Date, and therefore does not reflect expected financial performance after the 6 months period ended 31 March 2018 (“**HY2018**”) for the Group and the three-month period ended 31 March 2018 (“**T3M2018**”) for the Target Company. The scope of our appointment does not require us to express, and we do not express and have not commented on or assessed the expected future performance or prospects of the Company or the Group or the Target Company or the enlarged group after completion of the Proposed Acquisition (“**Enlarged Group**”). Accordingly, our evaluation and opinion and recommendation do not and cannot take into account future or prospective performance of the Company or the Group or the Target Company (including, *inter alia*, the setting up of the Target Company’s dairy business and its manufacturing facility in Malaysia) or the Enlarged Group and neither are we responsible for it. We are therefore not expressing any view herein as to the prices at which the Shares may trade upon completion or rejection of the Proposed Acquisition or the other transactions or resolutions stipulated in the Circular (if any) or voting for or voting against the Proposed Acquisition or the other transactions or resolutions stipulated in the Circular (if any) or on the future financial performance of the Company or the Group or the Target Company or the Enlarged Group or the plans (if any) for each of them (including, *inter alia*, the setting up of the Target Company’s dairy business and its manufacturing facility in Malaysia). We are also not expressing any view or opinion in connection with the proposed disposal of certain property and certain assets under Polygold Beverages Sdn Bhd as announced on 7 May 2018, which is subsequent to the Latest Practicable Date. Estimates or analysis or evaluation of the merits of the Company or the Group or the Target Company or the Proposed Acquisition as IPTs, if any, in this Letter are necessarily limited and we do not warrant or represent that it is complete or in entirety.

Our opinion in this Letter is based on economic, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as of the Latest Practicable Date. Accordingly, the bases or assumptions and likewise our views or opinion or recommendation may and do change in the light of these developments which, *inter alia*, include general as well as company specific or industry specific conditions or sentiments or factors. Independent Directors (as well as Independent Shareholders who would be receiving the Circular and this Letter enclosed with the Circular) should note that our evaluation is based solely on publicly available and other information provided by the Company and the Directors and, where applicable, the Target Directors, as well as those disclosed in the Circular, the economic and market conditions prevailing as at the Latest Practicable Date, and therefore does not reflect expected financial performance after the relevant financial period or financial year end for the Company or the Group or the Target or developments both macro and company specific and that these factors do and will necessarily

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affect the evaluation of the Proposed Acquisition as an IPT and our recommendation or opinion or views. Likewise, this Letter outlines some of the matters or bases or factors or assumptions which we have used in our assessment and is a summary. They are by no means exhaustive or a reproduction of all the matters or bases or factors or assumptions etc. which we have used in our assessment.

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

Our scope does not require us and we have not made any independent evaluation or appraisal of the Group's assets and liabilities (including without limitation, property, plant and equipment, and investment properties) and the Target Company's assets and liabilities (including without limitation, property, plant and equipment) or contracts entered into by the Group or Target Company and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into by the Group or the Target Company save for the following valuation reports and summary valuation letters:-

- (i) The valuation report dated 20 July 2017 ("**Land Valuation Report**") and the corresponding valuation summary letter ("**Land Valuation Summary Letter**") issued by Kumpulan Jurunilai Sdn. Bhd. ("**KJSB**" or the "**Land Valuer**") in respect of the market value of the 2 plots of adjoining industrial land of 361,169 square feet in aggregate located at Lot 81 and Lot 82, Phase 2C, Section 4, Selangor Halal Hub, Pulau Indah, 42920 Port Klang which are owned by the Target Company ("**Land**") as at 20 July 2017 ("**Land Valuation Date**");
- (ii) The letter dated 10 April 2018 ("**Confirmation Letter**") issued by the Land Valuer confirming the market value of the Land as at 10 April 2018; and
- (iii) The valuation reports ("**Asset Valuation Reports**") and the corresponding valuation summary letters ("**Asset Valuation Summary Letters**") issued by Savills (Malaysia) Sdn. Bhd., KJSB, JS Valuers Property Consultants Sdn. Bhd., and IM Global Property Consultants Sdn. Bhd. (collectively, the "**Asset Valuers**") in connection with the market value of the investment properties, selected freehold land, factory buildings, leasehold land and office buildings, and selected plant and machinery of the Group (the "**Revalued Assets**").

With respect to such valuation, we are not experts in the evaluation (including without limitation, market value or economic potential) or appraisal of assets and liabilities (including without limitation, property, plant and equipment, and investment properties) including *inter alia* the contracts or agreements that the Group or the Target Company has embarked upon or are about to embark upon and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.

The Directors are of the opinion that, save for the Revalued Assets, the values of the assets and liabilities as well as the financial performance or condition of the Group as reflected in the unaudited financial statements for the Group as at 31 March 2018 are true and fair. The Directors have also confirmed that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for HY2018 for the Group to be false or misleading in any material aspect. In addition, the Directors confirmed that to the best of their knowledge and belief, such information is true, complete and accurate in all respects and that there is no other information or fact *inter alia* the valuation or appraisal of assets and liabilities including, *inter alia* the contracts or agreements that the Group has embarked upon or are about to embark upon, the omission of which would render those statements or information or our analysis for which it is based on to be untrue, inaccurate, incomplete or misleading. Our views, opinion and recommendations are thus limited and subject to these matters as well as others mentioned in the Letter.

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The Target Directors are of the opinion that to the best of their knowledge and beliefs, save for the Land, the values of the assets and liabilities as well as the financial performance or condition or position of the Target Company as reflected in the unaudited financial statements for T3M2018 and financial year ended 31 December 2017 (“**TFY2017**”) are true and fair in any material aspect. In addition, the Target Directors confirmed that to the best of their knowledge and belief, such information is true, complete and accurate in all respects and that there is no other information or fact *inter alia* the valuation or appraisal of assets and liabilities including, *inter alia* the contracts that the Target Company has embarked upon or are about to embark upon, the omission of which would render those statements or information to be untrue, inaccurate, incomplete or misleading in any material aspect. Our views, opinion and recommendations are thus limited and subject to these matters as well as others mentioned in the Letter.

The Directors and the Target Directors further confirmed that as at the Latest Practicable Date and save for matters disclosed in this Letter, the unaudited financial statements for the Group for HY2018, and the unaudited financial statements for the Target Company for T3M2018 and TFY2017, there has been no material changes to the Group’s and Target Company’s assets and liabilities, financial position, condition and performance.

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

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

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

3. THE PROPOSED ACQUISITION

3.1. Principal Terms of the Proposed Acquisition

The principal terms of the Proposed Acquisition can be found in Section 3 of the Circular. A summary of the principal terms of the Proposed Acquisition is presented in this Letter. The principal terms of the Proposed Acquisition have been extracted from the Circular and are set out in italics below. We recommend that Independent Shareholders read those pages of the Circular carefully. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

“3. *PRINCIPAL TERMS OF THE PROPOSED ACQUISITION*

3.1. *Share Purchase Agreement*

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The Vendors have agreed to sell and the Purchaser has agreed to purchase the Sale Shares on the terms and the conditions of the SSA entered into between the Purchaser and the Vendors in respect of the Proposed Acquisition.

3.2. Consideration

The aggregate consideration payable by the Purchaser to the Vendors for the Sale Shares is RM24.0 million (the “**Consideration**”), of which RM5.0 million will be satisfied in cash and the remaining RM19.0 million will be satisfied by the issuance of 15,775,210 Consideration Shares to Khor Sin Kok (or his nominees).

The Consideration will be paid by the Purchaser in the following manner:

- (a) RM2.4 million (“**Deposit**”) was paid by cash to the Vendor’s solicitors, as stakeholder, upon the execution of the SSA; and
- (b) the remaining consideration of RM21.6 million (“**Balance Consideration**”), shall be paid to the Vendors within 30 days from the Unconditional Date (the “**Payment Period**”) as shall be satisfied as follows:
 - (i) RM2.6 million by cash to the Vendors; and
 - (ii) RM19.0 million by the allotment and issuance of 15,775,210 Consideration Shares to Khor Sin Kok (or his nominees) at an issue price of S\$0.3913 for each Consideration Share.

The Purchaser’s solicitors shall retain RM720,000 (the “**Retention Sum**”), representing 3% of the Consideration, from the Deposit and remit the Retention Sum to the Director General of the Inland Revenue of Malaysia (the “**Director-General**”) within 60 days from the date of the SSA in order to comply with the provisions of the Real Property Gains Tax Act 1976 of Malaysia, failing which a penalty equalling 10% of the Retention Sum shall be paid by the Purchaser to the Vendors. If completion of the Proposed Acquisition takes place (“**Completion**”), the Deposit (less the Retention Sum) shall be released to the Vendors on the Unconditional Date.

If the Balance Consideration cannot be paid by the Purchaser to the Vendors within the Payment Period, the Purchaser is given an additional 1 month to pay the Balance Consideration, subject to the payment of late payment interest at 8% per annum on the amount of the Balance Payment not paid.

The Consideration for the Sale Shares was arrived at after arm’s length negotiations on a “willing buyer willing seller” basis, after taking into consideration, amongst others, the market value of the Land owned by the Target Company under the Land Valuation Report and its potential business prospects. Please refer to Section 7.3(a) for further details on the Land Valuation Report.

It is intended that following the completion of the Proposed Acquisition, the Group will inject funds of approximately RM55,021,000 (inclusive of GST) (“**Proposed Cash Injection**”) into the Target Company to, amongst others, set up and construct the manufacturing and distribution operations of the dairy business and purchase machinery and vehicles for the dairy business. The Cash Injection will be used for the following purposes and funded by way of cash (to be raised by way of future fund raising exercises to be carried out by the Company) and bank borrowings extended to the Target Company as follows:

	Amount of Proposed Cash Injection (RM’000)	Funding by way of cash (RM’000)	Funding by way of bank borrowings (RM’000)
Factory Building	24,486	7,486	17,000
Professional Fees	1,224	1,224	-
Plant & Machinery	26,191	5,691	20,500
Distribution Vehicles	2,120	2,120	-
Pre-operation Expenditure	1,000	1,000	-
Total	55,021	17,521	37,500

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3.3. Source of Funds

The cash portion of the Consideration of RM5.0 million will be funded by the Group's internal resources.

3.4. Sale Conditions

The completion of the Proposed Acquisition is conditional upon, amongst others (the “Sale Conditions”):

- (a) approval from the shareholders of the Company having been obtained at an extraordinary general meeting to be convened for, amongst others, the purchase of the Sale Shares as an interested person transaction, the issue and allotment of the Consideration Shares at the relevant issue price and all transactions contemplated under the SSA as may be required under the Listing Manual; and*
- (b) approval-in-principle being obtained from the SGX-ST for the listing and quotation of the Consideration Shares on the Official List of the SGX-ST and such approval not being revoked or amended as at Completion and where such approval is subject to conditions, such conditions being reasonably acceptable to the Vendors.*

If the Sale Conditions are not satisfied within 6 months from the date of the SSA (or such extended period as may be agreed between the parties) (the “Long-Stop Date”), the SSA shall be rescinded or terminated, as the case may be. In addition:

- (a) if the Sale Conditions were not satisfied by the Long-Stop Date by reason of the default or omission of the Purchaser, the Deposit (inclusive of any Retention Sum not paid to the Director-General) will be forfeited and the Vendors shall be entitled to any Retention Sum refunded by the Director-General to the Purchaser;*
- (b) if the Sale Conditions were not satisfied by the Long-Stop Date by reason of the default or omission of the Vendors, the Deposit (inclusive of any Retention Sum not paid to the Director-General) shall be refunded to the Purchaser together with a break fee equal to the Deposit within 14 days from the receipt of a written notice requesting for such refund, failing which interest at the rate of 8% per annum shall be charged on the Deposit until the date that the refund is made, and the Purchaser shall be entitled to any Retention Sum refunded by the Director-General to the Purchaser; or*
- (c) if the Sale Conditions were not satisfied by the Long-Stop Date due to no fault of either party, the Deposit (inclusive of any Retention Sum not paid to the Director-General) shall be refunded to the Purchaser with no break fee, and the Purchaser shall be entitled to any Retention Sum refunded by the Director-General to the Purchaser.*

The Long-Stop Date was mutually extended by the parties to 9 months from the date of the SSA (or such extended period as may be agreed between the parties).”

3.2. Proposed Acquisition as an IPT

It is noted from the Circular that the Vendors are the directors and shareholders of the Target Company. As at the Latest Practicable Date, Mr Khor Sin Kok is the Deputy Group CEO and a Shareholder of the Company and is therefore an “interested person” within the meaning of Chapter 9 of the Listing Manual. Ms Khor Guat Bee is an associate of Mr Khor Sin Kok, being his sister, and is therefore also an “interested person” within the meaning of Chapter 9 of the Listing Manual.

We note from Section 5.2 of the Circular that in accordance with Rule 906(1)(a) of the Listing Manual, where the value of an IPT, or when aggregated with other transactions entered into with the same interested person during the same financial year, is equal to or exceeds 5% of the Group's audited NTA, the approval of Shareholders is required to be obtained either prior to the transaction being entered into, or if the transaction is expressed to be conditional on such approval, prior to the completion of such transaction, as the case may be.

The Consideration payable by the Purchaser to the Vendors in relation to the Proposed Acquisition (as detailed in Section 3.2 of the Circular) amounts to an aggregate of RM24.0 million, and the aggregate consideration payable comprises RM5.0 million in cash and the issuance of an aggregate of 15,775,210

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ordinary shares in the Company at the Issue Price of S\$0.3913 per Consideration Share to be issued and allotted to the Vendors pursuant to the Proposed Acquisition.

The consideration payable under the Proposed Acquisition and Proposed Cash Injection amounts to RM79.0 million, representing approximately 25.4% of the Group's audited consolidated NTA of the Group for FY2016 which is approximately RM311.5 million as at 30 September 2016.

As the consideration payable under the Proposed Acquisition exceeds 5% of the Group's audited consolidated NTA of the Group for FY2016, pursuant to Rule 906 of the Listing Manual, the Proposed Acquisition constitutes interested person transactions which are subject to the approval of the Shareholders. Accordingly, the Company is convening the EGM to seek Independent Shareholders' approval for the Proposed Acquisition.

4. INFORMATION ON THE TARGET AND THE VENDORS

Information on the Target and the Vendors can be found in Sections 2.1 and 2.3 of the Circular respectively.

5. EVALUATION OF THE PROPOSED ACQUISITION AS IPTs

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

- (i) Rationale for the Proposed Acquisition.
- (ii) Assessment of the Issue Price.
- (iii) Assessment of the Consideration for the Proposed Acquisition.
- (iv) Pro-forma financial effects of the Proposed Acquisition described in the Circular,
- (v) Other considerations which have significant bearing on our assessment.

These factors are discussed in detailed in the ensuing sections.

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

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- (i) **EV/EBITDA**
- “EV”** or **“Enterprise Value”** is defined as the sum of a company’s market capitalisation, preferred equity, minority interests, short term and long term debts less its cash and cash equivalents. **“EBITDA”** stands for earnings before interest, tax, depreciation and amortisation but after share of associates’ and joint ventures’ income but excluding exceptional items.
- The **“EV/EBITDA”** multiple is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance.
- (ii) **Price-to-Earnings (“PER”)**
- The PER is a widely used earnings-based valuation methodology that illustrates the ratio of the current market price of a company’s shares relative to its net earnings per share. Unlike the EV/EBITDA multiple, the PER is based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses. As such, the PER is affected by the capital structure of a company, tax position as well as its depreciation and goodwill policies.
- (iii) **Price-to-NTA (“P/NTA”)**
- The P/NTA ratio is the ratio of the relevant prices of the shares to the net tangible asset value of the relevant companies. It is an asset-based valuation methodology that illustrates the ratio of the current market valuation of a company relative to its asset backing as measured in terms of its NTA value.
- The net tangible assets (**“NTA”**) of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets, the proceeds of which are first used to repay the liabilities and obligations of that company with the balance available for distribution to its shareholders. The NTA-based approach is widely used for valuing the shares of property-based companies as their tangible asset backings are perceived as providing support for the value of their shares.
- (iv) **Price-to-NAV (“P/NAV”)**
- The P/NAV ratio is the ratio of the relevant prices of the shares to the net asset value of the relevant companies. It is an asset based valuation methodology that illustrates the ratio of the current market valuation of a company relative to its tangible and intangible asset backing as measured in terms of its NAV value.
- The net assets value (**“NAV”**) of a company provides an estimate of its value assuming a hypothetical sale of all its tangible and intangible assets, the proceeds of which are first used to repay the liabilities and obligations of that company with the balance available for distribution to its shareholders.

5.1. Rationale for the Proposed Acquisition

The rationale for the Proposed Acquisition has been extracted from Section 6 of the Circular and is set out in italics below. We recommend that the Independent Directors advise Independent Shareholders to read this paragraph of the Circular carefully. All terms and expressions used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise stated:

In considering the rationale of the Proposed Acquisition set out above, we have taken into account the following factors:

“6. RATIONALE

6.1 On 30 June 2014, the Group completed the disposal of its dairies and packaging business and the relevant intellectual properties to Asahi Group Holdings Southeast Asia Pte Ltd for a consideration of US\$328,787,704 and made a significant gain of RM607.5 million from the disposal. The Proposed Acquisition is in line with the Group’s long term growth strategy to expand its business through mergers and acquisitions. The Proposed Acquisition will provide the Group with an additional income stream from

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the sale of dairy products, a business that the Group had previously ventured into and made a significant gain on disposal.

6.2 *Given that the Group previously operated a dairies and packaging business, it therefore has significant experience in the dairies business and is of the view that it will be able to leverage on such experience when the Target Company commences operations in the manufacturing of dairy products. The Group plans to grow the Target Company and replicate the success of the dairies division which it previously owned. The Target Company has identified a group of senior management executives who have established track records and many years of experience in running and managing large regional food and beverage companies, including overseeing the setting up, financing, manufacturing and distribution operations of dairy businesses in Malaysia and exporting dairy products, in particular sweetened condensed milk and evaporated milk. It is intended that these key executives will be employed to form the management team of the Target Company and will bring along their experience in procurement, manufacturing, sales and marketing and general management to ensure success with the support from the Group's management and financial resources. Notwithstanding that the Group was loss-making for FY2017, the Board is of the view with the Group's previous track record in operating a dairies business and the experience of these key executives, the dairies business under the Proposed Acquisition has significant potential for the generation of revenue and profit for the Group.*

6.3 *While the Target Company has not commenced manufacturing operations presently, the Group is of the view that it will be able to deploy its expertise and experience in operating a dairies business to provide useful and strategic input into the setting up of the operations of dairy business of the Target Company. Additionally, the Purchaser was able to obtain a good price for the Proposed Acquisition given that the Target Company has not commenced manufacturing operations. As described in Section 3.2 above, the Cash Injection into the Target Company will be made by way of cash (to be raised by way of future fund raising exercises to be carried out by the Company) and bank borrowings extended to the Target Company.*

6.4 *The Board is of the view that the issuance of the Consideration Shares to Khor Sin Kok, the Deputy Group CEO of the Company, will further incentivise his work in the Group and align his interests with the Group's interests. The issuance of the Consideration Shares as part satisfaction of the Proposed Acquisition will also conserve the Group's cash resources."*

5.2 Historical financial performance, condition and position of the Group

The following are extracts from the audited consolidated financial statements of the Group for FY2015, FY2016 and FY2017, and the unaudited financial statements of the Group for HY2017 and HY2018:

Summary of Income Statements

Figures in RM'000 ⁽¹⁾	Unaudited HY2018	Unaudited HY2017	Audited FY2017	Audited FY2016	Audited FY2015
Revenue	210,211	201,957	410,331	362,674	327,357
Cost of sales	(132,507)	(133,853)	(274,497)	(252,476)	(239,122)
Gross profit	77,704	68,104	135,834	110,198	88,235
Other income	8,847	8,183	16,686	24,922	21,940
Operating expenses ⁽²⁾	(92,745)	(78,378)	(196,969)	(127,406)	(104,724)
Finance costs	(2,784)	(2,424)	(4,991)	(4,202)	(1,784)
(Loss)/Profit before tax	(8,978)	(4,515)	(49,440)	3,512	3,667
(Loss)/Profit after tax	(9,699)	(5,356)	(53,541)	1,456	(3,562)
(Loss)/Profit after tax attributable to shareholders	(9,440)	(4,878)	(52,405)	2,863	(363)

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Summary of Consolidated Statements of Financial Position

Figures in RM'000 ⁽¹⁾	Unaudited HY2018	Audited FY2017	Audited FY2016	Audited FY2015
Non-current assets	337,586	318,239	268,407	151,830
Current assets	140,342	177,771	219,343	310,362 ⁽⁴⁾
Non-current liabilities	104,756	92,572	44,875	17,722
Current liabilities	85,165	98,158	100,676	81,442
Total borrowings ⁽³⁾	134,534	139,072	95,655	60,217
Shareholders' equity	297,039	314,855	350,514	373,533
Net working capital	55,177	79,613	118,667	228,920 ⁽⁴⁾
Gearing ratio	0.5	0.4	0.3	0.2

Summary of Statements of Cash Flows

Figures in RM'000 ⁽¹⁾	Unaudited HY2018	Unaudited HY2017	Audited FY2017	Audited FY2016	Audited FY2015
Net cash generated from / (used in) operating activities	4,647	980	(2,089)	4,887	(16,382)
Net cash used in investing activities	(4,903)	(19,693)	(37,651)	(56,875)	(82,796)
Net cash (used in) / generated from financing activities	(15,585)	1,018	30,187	16,216	35,638
Net decrease in cash and cash equivalents	(15,841)	(17,695)	(9,553)	(35,772)	(63,540)
Cash and cash equivalents as at end of financial period / year	32,518	40,863	48,873	58,323	96,471

Notes:

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

(2) Operating expenses comprise selling and marketing expenses, administrative expenses, warehouse and distribution expenses, research and development expenses and other operating expenses.

(3) Total borrowings are defined as borrowing from banks, financial institutions and finance lease liabilities.

(4) Excluding non-current assets classified as held for sale of approximately RM4.4 million.

We note the following:

(i) Increasing revenue with higher gross profit margin

The Group's revenue is derived from four business segments, namely (a) Trading and Frozen Food Division, (b) Food Services Division, (c) Nutrition Division and (d) Food Processing Division.

The Group's revenue increased by approximately 13.1% from approximately RM362.7 million in FY2016 to approximately RM410.3 million in FY2017 attributed mainly by the higher contribution from the Food Services Division. In FY2016, the Group's revenue increased by approximately 10.8% from approximately RM327.3 million in FY2015 to approximately RM362.7 million in FY2016 which was mainly contributed from the Food Services, Trading and Frozen Food and Food Processing Divisions. The Group's revenue increased by approximately 4.1% from approximately RM202.0 million in HY2017 to approximately RM210.2 million in HY2018 attributed mainly by the revenue growth from the Food Services Division.

The largest contributor for the Group's revenue growth was the Food Services Division, contributed approximately RM44.4 million, RM80.6 million, RM129.1 million and RM84.2 million in FY2015, FY2016, FY2017 and HY2018 respectively. This was driven mainly by Texas Chicken restaurants (with number of outlets growing from 12 as at the beginning of FY2015 to 46 as at the end of HY2018), San Francisco Coffee chain (with 39 outlets as at the end of HY2018) and Delicious restaurants (which were acquired on 30 November 2016).

The second largest contributor for the Group's revenue growth was the Food Processing Division, which contributed approximately RM74.7 million, RM75.1 million and RM76.2 million in FY2015, FY2016 and

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FY2017 respectively. However, the Food Processing Division reported lower revenue of approximately RM29.2 million in HY2018 as compared to approximately RM37.5 million in HY2017. This was mainly due to lower revenue generated from bakery business following the disposal of 100% of the issued, and paid-up share capital in Family Bakery Sdn. Bhd. and Daily Fresh Bakery Sdn. Bhd. which was completed on 18 December 2017.

The Trading and Frozen Food Division contributed marginal growth to the Group's revenue, contributed approximately RM169.3 million, RM170.6 million and RM170.9 million in FY2015, FY2016 and FY2017 respectively. However, the revenue from the Trading and Frozen Food Division decline from approximately RM85.6 million in HY2017 to approximately RM77.3 million in HY2018. This was mainly due to shortages of quality beef and dairy products, coupled with the suspension of two beef plants by the Department of Islamic Development Malaysia (JAKIM) and Department of Veterinary Services Malaysia (DVS).

The Nutrition Division recorded revenue of approximately RM38.7 million, RM36.3 million, RM34.2 million and RM14.7 million in FY2015, FY2016, FY2017 and HY2018 respectively. The decline in the revenue from the Nutrition Division was due to the loss of market share in the traditional distribution channel in view of the more competitively priced US brands, a significant increase in dealings by Australian and New Zealand brands as well as aggressive competitor promotional programmes in the New Zealand supermarket channel.

The new Dairies Division has contributed additional revenue of approximately RM4.8 million in HY2018.

The Group recorded gross profit of approximately RM88.2 million, RM110.2 million, RM135.8 million and RM77.7 million in FY2015, FY2016, FY2017 and HY2018 respectively with corresponding gross profit margin of approximately 27.0%, 30.4%, 33.1% and 37.0% respectively. The improvement in the Group's gross profit margin in HY2018 and FY2017 was due to higher sales contribution from the Food Services Division and the Contract Packing for Dairy and Juice based drink business which derived higher margin from their products. Meanwhile, the improvement in the Group's gross profit margin for FY2016 was due to price increases in certain products, lower food costs due to higher rebates and better stock management from the Food Services Division.

(ii) Other income, operating expenses and finance costs

The Group reported other income approximately RM21.9 million, RM24.9 million, RM16.7 million and RM8.8 million for FY2015, FY2016, FY2017 and HY2018 respectively. Other income for HY2018 comprised mainly the gain on disposal of subsidiaries of approximately RM1.8 million, foreign currency fluctuation gain of approximately RM4.2 million and rental income of RM0.8 million. Other income for FY2017 comprised income mainly from held-for-trading investments of approximately RM6.1 million, reversal of over-provision of incidental costs on disposal of subsidiaries of approximately RM2.8 million, foreign currency fluctuation gain of approximately RM1.9 million and rental income from corporate building of approximately RM1.6 million. Meanwhile for FY2016, other income mainly consisted of gain on disposal of land and building in Indonesia of approximately RM9.6 million, foreign exchange gains of approximately RM5.7 million and income arising from held-for-trading investments of approximately RM5.0 million. Thus, the decline in other operating income in FY2017 as compared to FY2016 was mainly due to the one-off gain of approximately RM9.6 million on the disposal of land building in Indonesia during FY2016.

Total operating expenses (comprising administrative expenses, selling and marketing expenses, warehouse and distribution expenses, research and development expenses, and other operating expenses) amounted to approximately RM104.7 million, RM127.4 million, RM197.0 million and RM92.7 million in FY2015, FY2016, FY2017 and HY2018 respectively. The higher total operating expenses in HY2018 (as compared to RM78.4 million in HY2017) was mainly attributed to the higher selling and marketing expenses and administrative expenses in view of the expansion of Texas Chicken restaurants and San Francisco Coffee chain businesses as well as inclusion of operating costs of the Delicious restaurant business and the new Dairies Division. The higher total operating expenses in FY2017 (as compared to FY2016) was mainly attributed to impairment loss for a quoted investment in Yamada Green Resources Limited of approximately RM32.9 million, as well as higher selling and marketing expenses and administrative expenses in view of the expansion of Texas Chicken restaurants and San Francisco Coffee chain businesses as well as inclusion of operating costs of the newly acquired Delicious restaurant business. Meanwhile, the higher total operating expenses in FY2016 as compared to FY2015 was mainly due to higher selling and marketing expenses and administrative expenses associated with opening of new Texas Chicken restaurants and the operating costs of San Francisco Coffee chain business which was acquired during FY2016, as well as a write-off of the renovation and equipment of approximately RM1.2 million due to relocation of restaurant outlets and office.

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The Group recorded finance costs of approximately RM1.8 million, RM4.2 million, RM5.0 million and RM2.8 million in FY2015, FY2016, FY2017 and HY2018 respectively. The higher finance costs in HY2018 and FY2017 was attributable to higher bank borrowings to finance a new warehouse, part finance the acquisition of Pulau Indah land, investment in quoted investment and additional hire purchase facilities for the setup costs of new restaurant outlets. Meanwhile, the increase in the finance cost in FY2016 as compared to FY2015 was due to additional finance of the acquisition of corporate office building, new business, additional trade line and hire purchase facilities for new restaurant outlets.

(iii) Profitable in FY2016 but loss making in HY2018, FY2017 and FY2015.

In FY2015, the Group recorded profit before tax of approximately RM3.7 million but after tax, it recorded a loss of RM3.6 million and small loss after tax attributable to owners of the Company of approximately RM0.4 million. Subsequently, in FY2016, the Group recorded profit after tax attributable to owners of the Company of approximately RM2.9 million.

Despite the growth in the Group's revenue and corresponding gross profit margin, it recorded loss after tax attributable to the owners of the Company of approximately RM9.4 million and RM52.4 million in HY2018 and FY2017 respectively in view of the significant increases in its total operating expenses as explained in the earlier paragraph.

(iv) Assets and liabilities

As at 31 March 2018, the Group's total assets amounted to approximately RM477.9 million comprising non-current assets of approximately RM337.6 million and current assets of approximately RM140.3 million. The non-current assets as at 31 March 2018 consisted mainly of property, plant and equipment ("PPE") of approximately RM275.8 million, intangible assets of approximately RM32.7 million, investment properties of approximately RM27.3 million, deferred tax assets of approximately RM1.5 million and available-for-sale financial assets of approximately RM0.2 million. The current assets as at 31 March 2018 comprised trade and other receivables of approximately RM63.0 million, inventories of approximately RM38.3 million, cash and bank balances of approximately RM31.7 million, held-for-trading investments of approximately RM5.1 million, fixed deposits of approximately RM1.9 million and tax recoverable of approximately RM0.4 million.

On the liabilities side, the Group recorded total liabilities of approximately RM190.0 million as at 31 March 2018 comprising current liabilities of approximately RM85.2 million and non-current liabilities of approximately RM104.8 million. The current liabilities as at 31 March 2018 consisted of trade and other payables of approximately RM49.6 million, current income tax payable of approximately RM0.3 million, provision for restoration costs of approximately RM1.5 million, current portion of bank borrowings and finance lease payables of approximately RM25.2 million and RM8.5 million respectively. The non-current liabilities as at 31 March 2018 consisted of provision for restoration costs of approximately RM1.8 million, deferred tax liabilities of approximately RM2.2 million, non-current portion of bank borrowings and finance lease payables of approximately RM80.4 million and RM20.4 million respectively.

(v) Positive net working capital during the period reviewed but deteriorating

The Group recorded positive net working capital during the consecutive financial years (being FY2015, FY2016, FY2017 and HY2018) but it had declined from approximately RM228.9 million as at end of FY2015 to approximately RM118.7 million as at end of FY2016, RM79.6 million as at end of FY2017 and RM55.2 million as at end of HY2018. The deterioration in the Group's net working capital position were mainly resulted from declines in cash and bank balances (declined from approximately RM96.5 million as at 30 September 2015 to approximately RM45.6 million as at 30 September 2016, RM35.7 million as at 30 September 2017 and RM31.7 million as at 31 March 2018) as well as held-for-trading investments (declined from approximately RM115.6 million as at 30 September 2015 to approximately RM57.3 million as at 30 September 2016, RM23.4 million as at 30 September 2017 and RM5.1 million as at 31 March 2018).

(vi) Increase in gearing ratio due to lower equity and higher debt

The Group's shareholders' equity attributable to the owners of the Company declined from approximately RM373.5 million as at 30 September 2015 to approximately RM350.5 million as at 30 September 2016, approximately RM314.9 million as at 30 September 2017 and approximately RM297.0 million as at 31 March 2018. Total debt of the Group (comprising bank borrowings and finance lease payables) has increased from approximately RM60.2 million as at 30 September 2015 to approximately RM95.7 million as at 30 September 2016 and approximately RM139.1 million as at 30 September 2017 to finance the set up costs for new

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restaurant outlets as well as construction of factory buildings. Total debt of the Group reduced slightly to approximately RM134.5 million as at 31 March 2018 was largely due to settlement of loans and lower usage of trade line facilities. As a result, the debt to equity ratio for the Group has increased from approximately 0.2 times as at 30 September 2015 to approximately 0.3 times as at 30 September 2016 and approximately 0.4 times as at 30 September 2017 and approximately 0.5 times as at 31 March 2018.

(vii) Cash flow generated from operating activities

The Group recorded positive net cash flow generated from operating activities of approximately RM4.6 million and RM4.9 million in HY2018 and FY2016 respectively, but recorded negative cash flow from operating activities of approximately RM2.1 million and RM16.4 million in FY2017 and FY2015 respectively.

The Directors confirmed that as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter and the financial statements for the Group for FY2017 and HY2018, there has been no material changes to the assets and liabilities, financial position, condition and performance of the Group.

Outlook

In the Group's results announcement for HY2018, the Company stated the following commentary on the significant trends and competitive conditions of the industry in which the Group operates and factors or events that may affect the Group in the next reporting period and the next 12 months:-

"a) Trading and Frozen Food Division

The Malaysian Ringgit has continued to strengthen against the US Dollar in this quarter, resulting in the reduction of prices for some food costs. However, the reduction of food costs has not translated into increased sales reflecting the poor spending of the consumers. Supplies of meat and dairy products have not improved since the suspension of two beef plants by the Department of Islamic Development Malaysia (JAKIM) and the Department of Veterinary Services Malaysia (DVS), and high shortage of milk in Australia and other countries has not abated. The shortages of quality beef and dairy products have impacted the current quarter revenue.

Supply of lamb and mutton from Australia and New Zealand has not improved much although prices have stabilised.

The main supplier for cheese and butter from Australia is still unable to supply butter citing severed shortage of milk and as for cheese supply is still limited. This has impacted the revenue for cheese and butter.

Pok Brothers has moved into its new warehouse facility in Selangor Halal Hub, located in Pulau Indah in the first week of December 2017, which will cater for the expansion and growth of Pok Brothers and the Group. The existing facility in Glenmarie will continue to serve as the central distribution point for Klang Valley. Moving forward, it is expected that operating costs associated with a bigger facility will impact the bottom line unless revenue increased accordingly. In addition, unless there is improvement on the supplies side, the next twelve months will be very challenging for the division to maintain or improve its performance. On the other hand, the continued strengthening of Ringgit against major trading partners will help to reduce the cost of imported goods.

b) Food Services Division

The strengthening of Ringgit Malaysia against US Dollar has resulted in savings for certain food costs. Higher rebates have been obtained from certain suppliers on achievement of targeted volume. Overall, Texas Chicken should be in a position to negotiate for better prices of most food costs as volume grows in tandem with the increasing number of outlets. Texas is also constantly sourcing for new competitive suppliers to complement its growing business to ensure the lowest prices are obtained.

Existing stores should be able to maintain its top line on the back of the continuing strength of Texas Chicken despite the current soft market sentiment. Because of growing awareness of its brand and the growing number of malls compounded by the current slower retail trade, Texas Chicken has been attracting offers from malls and shop lots in and outside the Klang Valley. This has enable Texas Chicken to improve the site selections at more attractive rates as compared to previously. For the current quarter, Texas has opened another three stores located in Kulim Central in Kedah, Sunshine Square in Penang and SOHO in Ipoh just before the celebration of Chinese Lunar New Year, bringing the total store count to 46. Responses were

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overwhelming and sales have been very encouraging to-date. For the next two quarters, Texas Chicken is expected to open another three stores.

For San Francisco Coffee, prices of raw materials have been stable. Price of imported green beans has seen a slight reduction as a result of the strengthening Ringgit Malaysia against the US Dollar. Cost savings has been achieved with alternative suppliers for syrups, local cups and lids. Milk price remains unchanged.

Competition has heated up with the openings of new coffee chains Doutor, Costa and Paul Coffee from Japan, United Kingdom and France, respectively and local homegrown brand, Espresso Lab, has started to compete with San Francisco Coffee by targeting office buildings. Prices of its drinks are on par with major competitors while food prices are lower to drive traffic to the stores.

To date, San Francisco Coffee has opened 40 stores. The latest store was opened on 7th April 2018 at Gamuda Walk in Kota Kemuning and it has plan to open another nine stores in the next two quarters.

c) Nutrition Division

Dairy ingredients in the form of milk powders and highly specialised whey proteins form a significant component of the division's costs.

After a period of sustained increase in international prices for milk powder early in 2018 prices have since stabilised. Prices for specialised whey proteins purchased for the manufacture of Horleys products do not always directly follow the price trends for Whole and Skim milk. After a period of increased prices for these ingredients they have recently stabilised. The company predominantly draws their specialised protein ingredients exclusively from Fonterra Cooperative, New Zealand's pre-eminent dairy product supplier - Fonterra have recently launched a full range of 'Protein' products to capitalise on this opportunity. All remaining raw materials and packaging requirements are actively tendered via the company's contracted powder products manufacturer on an open book costing basis.

The Division markets their range of sports nutrition and weight management products under the Horleys brand. The Horleys brand had been losing market share in the key New Zealand supermarket channel for a period however this quarter it can be reported that some market share has been recovered being 23.2%* (22.4% last quarter) market share of New Zealand key accounts. The aggressive promotional programme being activated by key competitor, Vitaco. (* reference obtained from Aztec Data dated Mar 2018)

In the traditional channel for sales of sports and weight management supplements being gyms, health food and supplement shop channel Horleys have for some period lost market share. This has been primarily due to more competitively priced US brands as well as significant increase in dealing by Australian and New Zealand brands as they fight desperately to retain some market share.

The Horleys marketing team have reviewed each of Horleys product sub ranges and are progressively relaunching these ranges to better address consumer needs and strengthen and simplify the 'call outs' on the product labels. To date they have completed the re-launch of the 'Training Series' product range which are entry level products sold primarily in supermarkets as well as the 'Sculpt' women's shaping protein range. Most recently the entire Elite range of products targeted at heavier users has been re-developed and is currently in the process of being rolled out.

A significant effort has been made by the Horleys product development team to reduce the cost of goods while not materially compromising the quality of the product offering with some substantial achievements in this area. Indications from the trade remain positive as the Horleys range will be more competitive while offering the trade satisfactory margins.

d) Food Processing Division

(i) Bakery

Prices of main ingredients, like butter, flour, sugar and yeast are still volatile. To mitigate rising costs, alternative suppliers are constantly being sought.

The local market has shown an uptrend with the introduction of additional products and the penetration into the retail sector. To further expand the market, more sales personnel are recruited and delivery has been

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improved with additional lorries. The company will intensify its marketing activities to carry the momentum gained into the next few quarters.

(ii) Butchery

The retail pack of 100 grams of Gourmessa home grown brand has been successful in capturing substantially the market in that segment and will be launching the new packaging soon to sustain the market position. In addition, Gourmessa has appointed a distributor in Singapore to distribute its products to the supermarkets, independent grocery stores, restaurant and hotels. Following the commencement of export sales to Singapore, and possibly Thailand and the addition of a new strong customer, revenue for the next quarter should be improved.

Gourmessa has completed the construction of its factory building in the Selangor Halal Hub, located in Pulau Indah. However, it will only be relocating to its new and bigger facility after completion of inspection and audit, including getting its halal certification by all the relevant authorities, which will most probably be in the third quarter of FY2018.

(iii) Beverages

Due to the continued poor local and export sales, management has decided to scale down the operations from the last quarter of FY2017.

(iv) Contract Packing for Dairy and Juice Based Drinks

Demand for PET Aseptic co-packing continues to come from legacy beverages such as Up and Go, Primo, Mammouth and Nippys who are converting to PET.

There are several new co-packers entering the PET Aseptic market both in New Zealand and Australia such as Nippys, Pactum and Apollo. The new co-packers include some of our existing co-pack customers who will take their production in-house.

Some of EDNZ flavoured milk customers are exiting the market due to poor margins and high milk costs and transport costs with NZ.

EDNZ still enjoy strong demand for supply of high value added Aseptic PET bottled products especially white milk for Asia region but competition from new manufacturers in the region can be expected to impact sometime in late 2018 as they come online and offer competing services."

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5.3. Assessment of the Issue Price

In assessing the issue price of S\$0.3913 (“**Issue Price**”) for the Consideration Shares, we have considered the Group’s NAV or NTA, the historical trading performance of the Shares, and the relative valuation of the Selected Comparable Companies (defined later).

(a) NAV and NTA of the Group

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

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

In assessing the Proposed Acquisition as an IPT and the Issue Price of S\$0.3913 for each Consideration Share, in relation to the NAV and NTA per Share of the Group as at 31 March 2018, we have reviewed the unaudited statement of financial positions of the Group as at 31 March 2018 (to determine whether there are any assets that are of an intangible nature and as such would not appear in a valuation based on the NTA approach, but would be included in the NAV approach). Save as disclosed in the unaudited statement of financial positions of the Group as at 31 March 2018, the Directors have confirmed, that as at the Latest Practicable Date, to the best of their knowledge and based on disclosures made available to them, there are no other intangible assets or tangible assets which ought to be disclosed in the statement of financial positions of the Group as at 31 March 2018 in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible or tangible assets would have had a material impact on the overall financial position of the Group as at the Latest Practicable Date.

The Directors have also confirmed that as at the Latest Practicable Date, to the best of their knowledge and beliefs based on disclosures made available to them, there were no material contingent liabilities, bad or doubtful debts or unrecorded earnings or expenses or assets or liabilities which could have a material impact on the NAV or NTA of the Group as at 31 March 2018, save as disclosed in the unaudited financial statement of the Group as at 31 March 2018 as well as the Circular. In addition, the Directors are of the opinion that save as disclosed in the Circular, the values of the assets (other than those for which valuation has been conducted), and liabilities as well as financial performance or condition of the Group as disclosed and reflected in the unaudited financial statements of the Group as at 31 March 2018 are true and fair. Lastly, the Directors confirmed that to the best of their knowledge or belief that such information is true, complete and accurate in all respects and that there is no other information or facts, the omission of which would render those statements or information, including our references, as well as analysis of such information to be untrue, inaccurate or incomplete in any respect or misleading.

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Group's Consolidated Unaudited Statements of Financial Position as at 31 March 2018 ⁽¹⁾		RM'000
<u>Non-Current Assets</u>		
Property, plant and equipment		275,833
Investment properties		27,297
Available-for-sale financial assets		224
Deferred tax assets		1,499
Intangible assets		32,733
		337,586
<u>Current Assets</u>		
Cash and bank balances		31,741
Trade and other receivables		62,976
Tax recoverable		353
Inventories		38,284
Held-for-trading investments		5,117
Fixed deposits		1,871
		140,342
<u>Non-Current Liabilities</u>		
Provision for restoration costs		1,809
Bank borrowings		80,394
Finance Lease payables		20,366
Deferred tax liabilities		2,187
		104,756
<u>Current Liabilities</u>		
Trade and other payables		49,609
Provision for restoration costs		1,472
Bank borrowings		25,241
Finance lease payables		8,533
Current income tax payable		310
		85,165
NAV including non-controlling interest		288,007
Add: non-controlling interests		9,032
NAV attributable to the owners of the Company		297,039
Less: Intangible assets		(32,733)
NTA as at 31 March 2018		264,306
NAV per Share (S\$)⁽²⁾⁽³⁾		0.7996
NTA per Share (S\$)⁽²⁾⁽³⁾		0.7115
Issue Price (S\$)		0.3913
Discount of Issue Price from the Group's NAV per Share		(51.1)%
Discount of Issue Price from the Group's NTA per Share		(45.0)%

Notes:

- (1) The figures are based on the Group's unaudited financial statements for HY2018. Figures and computation presented in the table above are subject to rounding.
- (2) The figures are computed based on the Company's issued Share capital comprising 126,143,289 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (3) Based on the exchange rate of S\$1:RM2.9450 as at Latest Practicable Date

For illustrative purposes only, the Group's NAV as at 31 March 2018 is approximately RM297.0 million or approximately S\$0.7996 for each Share (converted based on the applicable exchange rate as at the Latest Practicable Date). The Issue Price represents a discount of approximately 51.1% from the Group's NAV per Share as at 31 March 2018. The Group's NTA as at 31 March 2018 is approximately RM264.3 million or

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approximately S\$0.7115 for each Share (converted based on the applicable exchange rate as at the Latest Practicable Date). The Issue Price represents a discount of approximately 45.0% from the Group's NTA per Share as at 31 March 2018.

Adjustments to the Group's NAV and NTA

In our computation of the Group's NAV and NTA, we have considered the following events which occurred subsequent to 31 March 2018 till the Latest Practicable Date:-

- (i) Held-for-trading investments (comprising mainly quoted equity securities and unit trust with net book value of approximately RM5.1 million as at 31 March 2018) – the Management represented and confirmed to us that the held-for-trading investments with a net book value of approximately RM5.1 million as at 31 March 2018) has a fair value of approximately RM4.6 million as at the Latest Practicable Date (thus, there is unrealised loss of approximately RM0.5 million as at the Latest Practicable Date).
- (ii) Available-for-sale financial assets (comprising mainly quoted equity securities with a net book value of approximately RM224 thousand as at 31 March 2018) – the Management represented and confirmed that the fair value of the available-for-sale financial assets amounted to approximately RM198 thousand as at the Latest Practicable Date (thus there is a small unrealised loss of approximately RM27 thousand).

We present below the computation of the NAV and NTA of the Group adjusted with the matters highlighted above ("Adjusted NAV" or "Adjusted NTA").

The Group's Adjusted NAV and NTA⁽¹⁾	RM'000
The Group's NAV as at 31 March 2018	297,039
<u>Adjustments:</u>	
Less: Unrealised loss from remaining held-for-trading investment ⁽²⁾	(491)
Less: Unrealised loss from available-for-sale financial assets ⁽²⁾	(27)
The Group's Adjusted NAV	296,521
Less: Intangible assets	(32,733)
The Group's Adjusted NTA	263,788
Adjusted NAV per Share (S\$)⁽³⁾	0.7982
Adjusted NTA per Share (S\$)⁽³⁾	0.7101
Discount of the Issue Price from the Group's Adjusted NAV per Share	(51.0)%
Discount of the Issue Price from the Group's Adjusted NTA per Share	(44.9)%

Notes:

- (1) The figures computation presented in the table above are subject to rounding.
- (2) The figures are provided and confirmed by the Management.
- (3) Based on the exchange rate of S\$1:RM2.9450 as at Latest Practicable Date and the Company's issued Share capital comprising 126,143,289 Shares (excluding treasury shares) as at the Latest Practicable Date.

For illustrative purposes only, the Group's Adjusted NAV is approximately RM296.5 million or approximately S\$0.7982 per Share (converted based on the applicable exchange rate as at the Latest Practicable Date). The Issue Price represents a discount of approximately 51.0% from the Group's Adjusted NAV per Share. The Group's Adjusted NTA is approximately RM263.8 million or approximately S\$0.7101 per Share (converted based on the applicable exchange rate as at the Latest Practicable Date). The Issue Price represents a discount of approximately 44.9% from the Group's Adjusted NTA per Share.

Revalued NAV ("RNAV") and Revalued NTA ("RNTA") of the Group

In our evaluation of the Issue Price, we have also considered whether there are any assets of the Group which should be valued at an amount that is materially different from that which recorded in the unaudited statement of financial position of the Group as at 31 March 2018. The Company has commissioned the Asset Valuers to determine the market value of the Revalued Assets. We recommend that the Independent

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Directors advise Shareholders to note and review carefully the contents of the Asset Valuation Summary Letters (which are set out as Appendix C of the Circular) and the Asset Valuation Reports (which are made available for inspection) in its entirety including the assumptions made and the basis for the assumptions.

We wish to highlight that the Revalued Assets with a net book value of approximately RM132.6 million as at 31 March 2018) comprises the following:-

- (a) Selected freehold land, factory buildings, leasehold land and office buildings (“**Property**”) with a net book value of approximately RM95.1 million as at 31 March 2018 and investment properties (“**Investment Properties**”) with a net book value of approximately RM27.3 million as at 31 March 2018.

A summary of the selected Property and Investment Properties, the valuation methods, their respective book value as at 31 March 2018 and market value as at the respective valuation date is summarised below and should be read in conjunction with the full text of the Asset Valuation Summary Letters (which are set out as Appendix C of the Circular) and the Asset Valuation Reports (which are made available for inspection). Further details of each of the Property and Investment Property, including, *inter alia*, site area, tenure, etc can be found in the Asset Valuation Reports and/or the Asset Valuation Summary Letters.

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Description of Property or Investment Property	Valuation method	Valuation date	Asset Valuers	Net book value as at 31 March 2018 (RM'000)	Market value as at respective valuation date (RM'000)
Lot 55, Hicom Glenmarie Industrial Park, Selangor, Malaysia	Cost approach	6 December 2017	Savills (Malaysia) Sdn. Bhd.	11,676	19,600
49, Lorong Wong Ah Jang, Kuantan, Pahang, Malaysia	Comparison approach	12 December 2017	Savills (Malaysia) Sdn. Bhd.	216	520
Lot 1237, Jalan Makloom, Pulau Pinang, Malaysia	Cost approach	12 December 2017	Savills (Malaysia) Sdn. Bhd.	4,779	6,200
3, Jalan Bertam 6, Taman Daya, 81100 Johor Bahru, Johor, Malaysia	Comparison approach	12 December 2017	Savills (Malaysia) Sdn. Bhd.	226	670
1, Jalan Bertam 6, Taman Daya, 81100 Johor Bahru, Johor, Malaysia	Comparison approach	12 December 2017	Savills (Malaysia) Sdn. Bhd.	291	1,000
7, Jalan Bertam 6, Taman Daya, 81100 Johor Bahru, Johor, Malaysia	Comparison approach	12 December 2017	Savills (Malaysia) Sdn. Bhd.	226	630
Lot 17225, Jalan Haruan 6, Oakland Industrial Park, 70200 Seremban, Negeri Sembilan, Malaysia	Comparison approach	26 October 2017	Kumpulan Jurunilai Sdn. Bhd.	2,509	7,000
Lots nos. 76, 77, 78, 79, 80, 83, 84 and 85, Section 4, Phase 2C, Selangor Halal-Hub, Pulau Indah, Selangor, Malaysia	Comparison approach	4 December 2017	Kumpulan Jurunilai Sdn. Bhd.	57,781	89,948
No.11 Jalan 225, Petaling Jaya, 46100 Selangor Darul Ehsan, Malaysia	Comparison approach	6 December 2017	JS Valuers Property Consultants Sdn. Bhd.	40,968	41,500
PT 4974, Jalan Haruan 8, Oakland Industrial Park, 70200 Seremban, Negeri Sembilan, Malaysia	Comparison approach	26 October 2017	Kumpulan Jurunilai Sdn. Bhd.	3,692	6,500
TOTAL				122,365	173,568

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- (b) Selected plant and machinery with a net book value of approximately RM10.3 million as at 31 March 2018 which are held by the following subsidiaries: De-Luxe Food Services Sdn. Bhd., Gourmessa Sdn. Bhd., and Pok Brothers Sdn. Bhd. The market value ascribed by an independent valuer, IM Global Property Consultants Sdn. Bhd. (using depreciated replacement cost method) is approximately RM20.4 million.

The Revalued Assets accounted for approximately 43.8% of the aggregate sum of the Group's PPE and Investment Properties, and approximately 27.8% of the Group's total assets as at 31 March 2018. The Management represented and confirmed that the remaining PPE (with a net book value of approximately RM170.5 million as at 31 March 2018), for which no valuation has been commissioned, consist of:

- (a) Remaining Properties (approximately RM0.2 million);
- (b) Remaining plant and machinery (approximately RM17.0 million);
- (c) Sales equipment (approximately RM0.6 million);
- (d) Cold room and freezer (approximately RM4.4 million);
- (e) Lab equipment (approximately RM133 thousand);
- (f) Furniture and fittings (approximately RM12.5 million);
- (g) Store equipment (approximately RM26.3 million);
- (h) Renovation (approximately RM31.9 million);
- (i) Motor vehicles (approximately RM4.7 million);
- (j) Office equipment (approximately RM2.0 million);
- (k) Computer system (approximately RM1.4 million); and
- (l) Assets under construction (approximately RM69.3 million).

The Directors confirmed the following:-

- (i) The Directors are aware of and satisfied with the selection of the Revalued Assets for the valuation exercise and the valuation date for respective Revalued Assets. The Revalued Assets accounted for approximately 27.8% and 43.8% of the Group's total assets and aggregate PPE and Investment Properties as at 31 March 2018 respectively.
- (ii) Having reviewed the Asset Valuation Reports (*inter alia*, the assumptions, methodology used, limiting conditions and information relied upon by the Asset Valuers) as a whole and the Directors are of the opinion that the assumptions and methodology used by the Asset Valuers are reasonable.
- (iii) To their best knowledge and belief, as at the Latest Practicable Date, save as disclosed in the unaudited financial statements of the Group as at 31 March 2018, the announcements released by the Company on the SGXNET and the Circular, there have been no known material events that have or will have material impact to the unaudited financial statements of financial position of the Group since 31 March 2018.
- (iv) Assets under construction with a net book value of approximately RM69.3 million relates to expenditure for warehouse and factory buildings in the course of construction on the lots nos. 83 and 84, Section 4, Phase 2C, Selangor Halal-Hub, Pulau Indah, Selangor, Malaysia. The Directors represented and confirmed that the said construction has been completed only recently (in October 2017) and the said warehouse and factory buildings are for the Group's own use as such no valuation is deemed necessary.

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- (v) Plant and machinery held by Envictus Dairies NZ Limited, a wholly-owned subsidiary of the Company, with a net book value of approximately RM13.2 million comprises very specialised and customised machineries as such no valuation can be conducted. Likewise, cold room and freezer held by the Group with a net book value of approximately RM4.4 million are specialized and customised for the Group's own use as such no valuation are conducted.
- (vi) The remaining PPE, being sales equipment, lab equipment, furniture and fittings, store equipment, motor vehicles, office equipment and computer system with aggregate net book value of approximately RM47.7 million comprises large number of items, hence it is not practical to conduct valuation.
- (vii) As at the Latest Practicable Date, save for the Revalued Assets which are subject to valuation, there are no material differences between the estimated market value of the remaining PPE or assets for which no valuation was performed and their respective book values as at 31 March 2018 which would have a material impact on the NAV and NTA of the Group.

We have not made any independent evaluation or appraisal of the Group's assets and we have been furnished by the Company with the Asset Valuation Summary Letters and the Asset Valuation Reports in respect of the market value of the Revalued Assets. With respect to such valuation, we are not experts in the evaluation or appraisal of the Revalued Assets and have relied on the Asset Valuation Summary Letters and the Asset Valuation Reports for the market value of the Revalued Assets and opinion of and confirmation from the Directors.

The aggregate market value of the Revalued Assets as ascribed by the Asset Valuers as at the respective valuation date is approximately RM194.0 million.

For illustrative purpose only, the revaluation surplus for the Revalued Assets has been calculated and presented in the table below assuming a hypothetical sale of the Revalued Assets at the value ascribed by the Asset Valuers above. The Directors represented and confirmed that, to the best of their knowledge and based on the information made available to them by the Management, there will be potential tax liability of approximately RM9.3 million if the Revalued Assets which are subject to valuation were to be sold at the market value ascribed by the Asset Valuers. As at the Latest Practicable Date, the Directors confirmed that the Group has not entered into any formal sale and purchase agreement in connection with the disposal of its interests in the remaining Revalued Assets and as such, the aforesaid tax liabilities in respect of the Revalued Assets may not be crystallised.

.The Group's RNAV and RNTA⁽¹⁾	RM'000
Market Value of the Revalued Assets	193,965
Less: Net book value of the Revalued Assets as at 31 March 2018	(132,626)
Less: potential tax liabilities ⁽²⁾	(9,322)
Revaluation surplus	52,017
Adjusted NAV	296,521
Add: Revaluation surplus	52,017
RNAV	348,538
Less: Intangible assets	(32,733)
RNTA	315,805
RNAV per Share (S\$)⁽³⁾	0.9382
RNTA per Share (S\$)⁽³⁾	0.8501
Discount of the Issue Price from the Group's RNAV per Share	(58.3)%
Discount of the Issue Price from the Group's RNTA per Share	(54.0)%

Notes:

- (1) The figures computation presented in the table above are subject to rounding.
- (2) The figures for the potential tax liabilities are provided and confirmed by the Management.
- (3) Based on the exchange rate of S\$1:RM2.9450 as at Latest Practicable Date and the Company's issued Share capital comprising 126,143,289 Shares (excluding treasury shares) as at the Latest Practicable Date.

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Based on the table above, after taking into account the market value of the Revalued Assets, the Group's RNAV and RNTA per Share is approximately S\$0.9382 and S\$0.8501 respectively. The Issue Price of S\$0.3913 for each Consideration Share represents a discount of approximately 58.3% and 54.0% from the Group's RNAV and RNTA per Share respectively. The significant discount implied by the Issue Price from the Group's RNAV and RNTA per Share appears to be fair when compared to the valuation of the Selected Comparable Companies (define later) after taking into account the weaker financial performance of the Group as compared to the Selected Comparable Companies (please refer to Section 5.3(c) of the IFA Letter).

While the RNAV and/or RNTA per Share is a relevant basis for comparison, the Independent Directors should note that it is not necessarily a realisable value as the market value of the Revalued Assets and any tax liabilities arising from the sale of the Revalued Assets may vary depending on prevailing market and economic conditions. We wish to highlight that the Group's RNAV and/or RNTA shown above include the revaluation surplus arising from the hypothetical sale of the Revalued Assets. Shareholders should note that the Group has not realized the surplus on such asset as at the Latest Practicable Date, and that there is no assurance that the revaluation surplus or deficit eventually recorded by the Group on the Revalued Assets (in the event they are disposed) will be the same as indicated above. As at the Latest Practicable Date, the Directors confirmed that the Group has not entered into any formal sale and purchase agreement in connection with the disposal of its interests in the remaining Revalued Assets and as such, the aforesaid tax liabilities in respect of the Revalued Assets may not be crystallised.

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

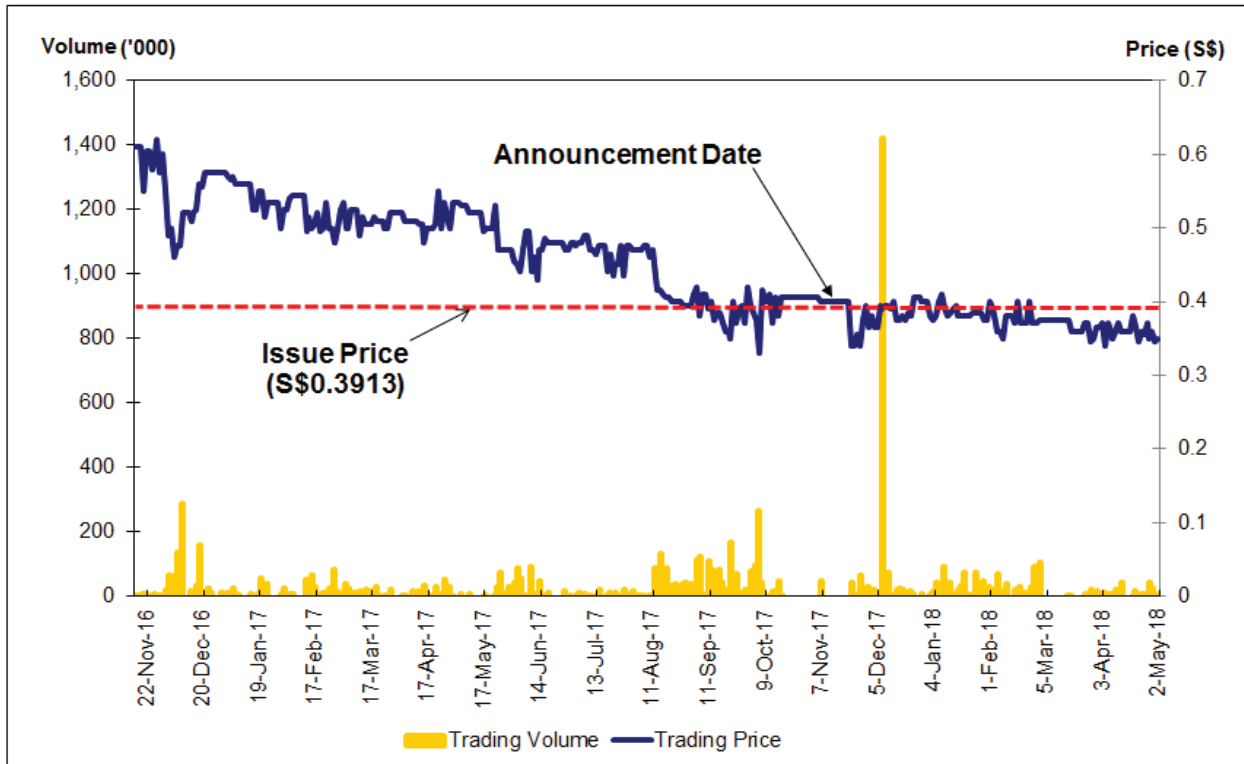
It should be noted that the NTA basis of valuation provides an estimate of the value of a hypothetical sale of all its tangible assets over a reasonable period of time and is only relevant in the event that the Group decides to change the nature of its business or to release or convert the uses of all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

We recommend that the Independent Directors advise Independent Shareholders, to note and review the contents of the Asset Valuation Reports (which are made available for inspection) in its entirety including the assumptions made and the basis for the assumptions.

(b) Market quotation and trading activities for Shares

The historical price and volume charts for the Shares (based on the closing prices together with the number of Shares traded on a daily basis) for the Shares during the period commencing from 16 November 2016 (being the Market Day 12 months prior to the Announcement Date) and ending on the Latest Practicable Date is set out below:–

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Source: SGX-ST

For the period commencing from 16 November 2016 (being the Market Day 12 months prior to the Announcement Date) and ending on the Announcement Date, we note that the Shares were traded for 169 Market Days out of a total 251 Market Days during the period. The closing prices for the Shares were higher than the Issue Price for 234 Market Days out of the 251 Market Days (or approximately 93.2%) and were below the Issue Price for 17 Market Days out of the 251 Market Days (or approximately 6.8%).

We note that for the period commencing from 16 November 2017 (being the market day after the Announcement Date) till 2 May 2018 (being the Latest Practicable Date), the Shares were traded for 80 Market Days out of a total 114 Market Days during the Period. The closing prices for the Shares were below the Issue Price for 93 Market Days out of the total 114 Market Days and higher than the Issue Price for 21 Market Days out of the total 114 Market Days. As at the Latest Practicable Date, Shares closed at S\$0.35 which was below the Issue Price.

As a general market comparison and observation, the FTSE Straits Times Index ("FTSE STI") increased by approximately 20.6% for the period commencing from 16 November 2016 and ending on the Announcement Date, and subsequently increased by approximately 7.3% from 16 November 2017, being the market day after the Announcement Date till the Latest Practicable Date. For the same period commencing from 16 November 2016 and ending on the Announcement Date, the prices for the Shares decreased by approximately 34.4% and subsequently decreased further by approximately by 12.5% from 16 November 2017, being the market day immediately after the Announcement Date till the Latest Practicable Date. We observed that the Shares appear to have underperformed the FTSE STI for both the 12 months period prior to the Announcement Date and the period immediately after the Announcement Date till the Latest Practicable Date.

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

The volume-weighted closing price ("VWCP") of the Shares, the highest and lowest transacted prices for the Shares and the average number of Shares traded on a daily basis from 16 November 2016 to the Latest Practicable Date are set out below:–

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	VWCP per Share ⁽¹⁾ (S\$)	Premium/ (Discount) of the Issue Price over/from the VWCP per Share (%)	Lowest transacted price (S\$)	Highest transacted price (S\$)	Average daily trading volume ⁽²⁾ (‘000 Shares)	Average daily trading volume as % of free-float ⁽³⁾ (%)
For the period prior to and including the Announcement Date						
Last 12 months	0.448	(12.7)%	0.330	0.620	19	0.04%
Last 6 months	0.403	(2.8)%	0.330	0.530	22	0.04%
Last 3 months	0.382	2.5%	0.330	0.430	32	0.06%
Last 1 month	0.390	0.3%	0.380	0.405	4	0.01%
Last transacted price on 7 November 17 (being the last Trading Day prior to the Announcement Date) ⁽⁴⁾	0.400	(2.2)%	0.395	0.400	47	0.09%
For the period including the Announcement up to the Latest Practicable Date						
Till the Latest Practicable Date Last transacted price on 2 May 18 (being the Latest Practicable Date) ⁽⁵⁾	0.381	2.7%	0.300	0.420	27	0.05%
	0.350	11.8%	0.350	0.350	9	0.02%

Source: SGX-ST

Notes:

- (1) The VWCP had been weighted based on the last transacted prices of the Shares and traded volumes for the relevant trading days for each of the periods.
- (2) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the period dividend by the number of market days during that period.
- (3) Free float refers to approximately 52,379,695 Shares (or approximately 41.5% of the issued Share capital) held by Shareholders, other than the Substantial Shareholders and Directors as at the Latest Practicable Date as enumerated in the Circular.
- (4) This represents the last transacted price instead of VWCP for the Shares on 7 November 2017, being the last Trading Day prior to the Announcement Date.
- (5) This represents the last transacted price instead of VWCP and trading volume for the Shares on 2 May 2018, being the Latest Practicable Date.

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

- (i) at a discount of approximately 2.2% from the last transacted price of S\$0.400 per Share on the SGX-ST on 7 November 2017, being the last Trading Day prior to the Announcement Date;
- (ii) at a discount of approximately 12.7% and 2.8% from the VWCP for the Shares for the 12-month and 6-month periods prior to the Announcement Date respectively;
- (iii) at a premium of approximately 2.5% and 0.3% over the VWCP for the Shares for the 3-month and 1-month period prior to the Announcement Date respectively;
- (iv) at a premium of approximately 2.7% over the VWCP for the Shares for the period commencing from the Market Day immediately after the Announcement Date and ending on the Latest Practicable Date; and
- (v) at a premium of approximately 11.8% over the last transacted price of S\$0.35 per Share on the SGX-ST on 2 May 2018, being the Latest Practicable Date.

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For illustrative purpose only, based on the number of Shares traded on a daily basis during the period commencing from 16 November 2016 and ending on the Latest Practicable Date, we note that:—

- (i) from 16 November 2016 to the Announcement Date, Shares were traded on 169 Trading Days out of the total 251 Market Days during the period, with the total number of Shares traded being approximately 4.8 million Shares and an average daily trading volume (based on a total of 251 Market Days) of approximately 19 thousand Shares, which represents approximately 0.015% of the issued Share capital as at the Latest Practicable Date or approximately 0.04% of the issued Share capital held by Shareholders other than the Substantial Shareholders and the Directors as at the Latest Practicable Date; and
- (ii) for the period commencing from 16 November 2017, being the Market Day after the Announcement Date till the Latest Practicable Date (both dates inclusive), Shares were traded on 80 Market Days out of the total 114 Market Days during the period, with the total number of Shares traded being approximately 3.1 million Shares and an average daily trading volume of approximately 27 thousand Shares, which represents approximately 0.02% of the issued Share capital as at the Latest Practicable Date or approximately 0.05% of the issued Share capital held by Shareholders other than the Substantial Shareholders and the Directors as at the Latest Practicable Date.

We note that trading for the Shares had been erratic and that the daily average number of Shares traded during the 12 month period prior to and including the Announcement Date is relatively low as compared to the number of issued Shares held by Shareholders other than the substantial Shareholders and the Directors as at the Latest Practicable Date. However, the frequency for which Shares were traded appear to be relatively high (or the Shares were actively traded), as Shares were traded on 169 Trading Days out of the 251 Market Days during the 12 month period prior to and including the Announcement Date. It is generally accepted that the more actively traded the shares, the greater the reliance on market prices as a determination of the fair value of the shares between willing buyer and willing seller. Whilst historically transacted prices for the Shares may not be a meaningful indicator of its fundamental value in view of the lack of liquidity for the Shares (in terms of number of Shares traded on daily basis), they nonetheless represent for prices for transactions between willing buyer and willing seller.

We also note that the number of Shares that were traded on a daily basis for the period commencing after the Announcement Date till the Latest Practicable Date is higher than the number of Shares that were traded on a daily basis during the 1 year period prior to and including the Announcement Date.

The relatively weaker performance of the Shares as compared to the FTSE STI and the increase in the number of Shares traded after the Announcement Date till the Latest Practicable Date may, *inter alia*, be a reflection of the market's sentiments for the Proposed Acquisition as well as prospects or demand for the Shares on or after the Announcement Date.

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

(c) Relative valuation analysis for the Group

In evaluating the Issue Price for the Consideration Shares, we have considered the financial performance, financial positions and valuation statistics of selected companies that may, in our view, be broadly comparable to the existing core business of the Group prior to the transaction, which is in (i) the food processing business (the “**Selected Food Processing Companies**”), (ii) the food services business (the “**Selected Food Services Companies**”) and (iii) the frozen and trading business (the “**Selected Frozen and Trading Companies**”), collectively, the “**Selected Comparable Companies**”.

The Selected Comparable Companies have been identified after a search was carried out on various exchanges and evaluation of the companies operating in the same industry as the Group. We have had discussions with the Directors about the suitability and reasonableness of these Selected Comparable Companies acting as a basis for comparison with the core businesses of the Group prior to the transaction. Relevant information has been extracted from the annual reports and/or public announcements of the Selected Comparable Companies. The Selected Comparable Companies may or may not have similar business operations or similar assets as the Group, accounting policies with respect to the values for which

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the assets or the revenue and cost are recorded or the relevant financial period compared may differ from the Group.

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

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

The Selected Food Processing Companies are set out below.

Selected Food Processing Companies	Business activities
Hosen Group Ltd. (“ Hosen ”) <i>Listed on SGX-ST</i>	The group is engaged in developing, trading, and distributing canned seafood, canned fruits and vegetables, and canned meat products in Singapore, Malaysia, and internationally. It also involved in the importation, distribution, wholesaling, and retailing of canned food and household consumable goods; and wholesale of frozen livestock and seafood products.
Khong Guan Limited (“ Khong Guan ”) <i>Listed on SGX-ST</i>	The group is engaged in trading in wheat flour and other edible products primarily in Singapore and Malaysia. It also involved in the wholesale of wheat flour, general goods, biscuits, consumer goods, and related products.
Sino Grandness Food Industry Group Limited (“ Sino Grandness ”) <i>Listed on SGX-ST</i>	The group is engaged in producing and selling canned vegetables and fruits in the People’s Republic of China, Europe, North America, and internationally.
OCB Berhad (“ OCB ”) <i>Listed on Bursa Malaysia (“Bursa”)</i>	The group is engaged in the manufacture and distribution of food products, bedding products, and also in the distribution of building materials and builders’ hardware in Malaysia.
HB Global Limited (“ HB Global ”) <i>Listed on Bursa</i>	The group is engaged in producing, selling, and exporting various types of foods in the People’s Republic of China, Japan, the United States, South Korea, Australia, the European Union, and internationally. Its principal products include prepared food; canned food; frozen vegetables and frozen fruits, as well as low-temperature frying food fast food products.

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The Selected Food Services Companies are set out below.

Selected Food Services Companies	Business activities
ABR Holdings Limited (“ ABR ”) <i>Listed on SGX-ST</i>	The group is engaged in operating ice cream parlors cum restaurants, and other specialty restaurants, as well as cafés, snack bars, and cafeterias. It also involved in the provision of processing, supply, warehousing, and distribution services; manufacture and retail of food products, including bread, cakes, and confectionary.
Japan Foods Holding Ltd. (“ Japan Foods ”) <i>Listed on SGX-ST</i>	The group is engaged in operating a chain of restaurants in Singapore, Malaysia, and Vietnam. It operates its restaurants under the Ajisen Ramen, Botejyu, Hanamidori, Kazokutei, Keika Ramen, Menzo Butao, Menya Musashi, New ManLee Bak Kut Teh, Osaka Ohsho, Yonehachi, Dutch Baby Café, Fruit Paradise, Ginza Kushi-Katsu, and Japanese Gourmet Town brand names.
Sakae Holdings Ltd. (“ Sakae ”) <i>Listed on SGX-ST</i>	The group is engaged in operating restaurants, kiosks, and cafes primarily in Singapore, China, Indonesia, Japan, Malaysia, the Philippines, Vietnam, and Chile. It also engaged in trading, sushi processing, catering, and franchising activities; and trading of canned and frozen seafood products.
Berjaya Food Berhad (“ Berjaya Food ”) <i>Listed on Bursa</i>	The group is principally engaged in development and operating of restaurant and café chains and retail outlets in Malaysia and other South-East Asian countries
Only World Group Holdings Berhad (“ OWG ”) <i>Listed on Bursa</i>	The group focused on providing leisure and hospitality services incorporating the operation of food service outlets, water amusement parks and family attractions.

The Selected Frozen and Trading Companies are set out below.

Selected Frozen and Trading Companies	Business activities
China Kangda Food Company Limited (“ China Kangda ”) <i>Listed on SGX-ST</i>	The group is engaged in producing, processing, distributing, and selling food products in the People’s Republic of China. It operates through Processed Food products, Chilled and Frozen Rabbit Meat, Chilled and Frozen Chicken Meat, and Other Products segments.
Saudee Group Berhad (“ Saudee ”) <i>Listed on Bursa</i>	The group is engaged in manufacturing and selling processed poultry, beef products, frozen goods, and bakery products in Malaysia and internationally. It also involved in the wholesale and dealership of fresh and frozen foods.
Rex Industry Berhad (“ Rex ”) <i>Listed on Bursa</i>	The group is engaged in the manufacture and distribution of canned and frozen food, including frozen meats primarily in Malaysia. It also manufactures and exports canned food to international markets; trades in canned food and shelf stable convenience food; and distributes chilled and frozen food.
Kawan Food Bhd (“ Kawan ”) <i>Listed on Bursa</i>	The group is engaged in manufacturing and sale of frozen food products in Malaysia, Hongkong and PRC.
Lay Hong Berhad (“ Lay Hong ”) <i>Listed on Bursa</i>	The group is engaged in production of fresh table and specialty chicken eggs, liquid egg, chilled and frozen dressed chicken, chicken parts and processed related chicken products. It also contracts packed specialised chicken cuts and chicken related products for certain fast food chain.

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

Relative Performance of the Group

Selected Comparable Companies	LTM ROE ⁽¹⁾ (%)	LTM net profit margin ⁽²⁾ (%)	LTM asset turnover ⁽³⁾ (times)	Total liabilities ⁽⁴⁾ / shareholder equity ⁽⁵⁾ (times)	Total borrowings ⁽⁶⁾ / shareholder equity ⁽⁵⁾ (times)
(A) Selected Food Processing Companies					
Hosen	2.6%	1.1%	1.4	0.7	0.4
Khong Guan	3.1%	3.5%	0.8	0.1	No borrowings
Sino Grandness	11.5%	9.6%	0.8	0.4	0.4
OCB	n.m. ⁽⁷⁾	n.m. ⁽⁷⁾	0.9	0.4	0.2
HB Global	7.2%	13.2%	0.4	0.5	0.3
MAXIMUM	11.5%	13.2%	1.4	0.7	0.4
MINIMUM	2.6%	1.1%	0.4	0.1	0.2
MEDIAN	5.2%	6.5%	0.8	0.4	0.3
SIMPLE AVERAGE	6.1%	6.8%	0.8	0.4	0.3
(B) Selected Food Services Companies					
ABR	6.3%	5.3%	0.9	0.3	0.001
Japan Foods	16.3%	8.1%	1.6	0.3	No borrowings
Sakae	3.1%	1.5%	0.6	2.3	1.6
Berjaya Food	n.m. ⁽⁸⁾	n.m. ⁽⁸⁾	0.8	1.1	0.7
OWG	2.6%	5.2%	0.3	0.7	0.5
MAXIMUM	16.3%	8.1%	1.6	2.3	1.6
MINIMUM	2.6%	1.5%	0.3	0.3	0.001
MEDIAN	4.7%	5.3%	0.8	0.7	0.6
SIMPLE AVERAGE	7.1%	5.0%	0.8	0.9	0.7
(C) Selected Frozen and Trading Companies					
China Kangda	n.m. ⁽⁹⁾	n.m. ⁽⁹⁾	0.8	1.6	1.0
Saudee	2.9% ⁽¹⁰⁾	1.7% ⁽¹⁰⁾	1.0 ⁽¹⁰⁾	0.7	0.6
Rex	n.m. ⁽¹¹⁾	n.m. ⁽¹¹⁾	0.7	0.4	0.2
Kawan	9.4%	14.8%	0.5	0.2	0.1
Lay Hong	10.8%	4.1%	1.1	1.3	0.8
MAXIMUM	10.8%	14.8%	1.1	1.6	1.0
MINIMUM	2.9%	1.7%	0.5	0.2	0.1
MEDIAN	9.4%	4.1%	0.8	0.7	0.6
SIMPLE AVERAGE	7.7%	6.9%	0.8	0.8	0.5
COMBINED (A) + (B) + (C)					
MAXIMUM	16.3%	14.8%	1.6	2.3	1.6
MINIMUM	2.6%	1.1%	0.3	0.1	0.001
MEDIAN	6.3%	5.2%	0.8	0.5	0.4
SIMPLE AVERAGE	6.9%	6.2%	0.8	0.7	0.5
Group	n.m.⁽¹²⁾	n.m.⁽¹²⁾	0.9	0.6	0.5

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

Notes:

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

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- (3) *LTM asset turnover is the ratio of the most recent twelve months total consolidated revenue to the total consolidated assets of the respective companies.*
- (4) *Total liabilities include all the liabilities of the respective companies but exclude any contingent liabilities, if any.*
- (5) *Shareholders' equity is the consolidated shareholders' funds excluding minority interest of the respective companies.*
- (6) *Total borrowings include all bank loans and borrowings as well as hire purchase obligations and interest bearing debts, where applicable.*
- (7) *OCB incurred a loss after tax attributable to owners of approximately RM21.5 million for the financial year ended 31 December 2017. Hence, OCB's LTM ROE and LTM net profit margin ratios are negative and not meaningful.*
- (8) *Berjaya Food incurred a loss after tax attributable to owners of approximately RM3.0 million for the LTM ended 31 January 2018. Hence, Berjaya Food's LTM ROE and LTM net profit margin ratios are negative and not meaningful.*
- (9) *China Kangda incurred a loss after tax attributable to owners of approximately RMB15.8 million for the financial year ended 31 December 2017. Hence, China Kangda's LTM ROE and LTM net profit margin ratios are negative and not meaningful.*
- (10) *Saudee's ratios of LTM ROE, LTM net profit margin and LTM asset turnover are based on the figures for the last eleven months ended 31 January 2018.*
- (11) *Rex incurred a loss after tax attributable to owners of approximately RM1.1 million for the LTM ended 31 December 2017. Hence, Rex's LTM ROE and LTM net profit margin ratios are negative and not meaningful.*
- (12) *The Group incurred a loss after tax attributable to owners of the Company of approximately RM57.0 million for the LTM ended 31 March 2018. Hence, the Group's LTM ROE and LTM net profit margin ratios are negative and not meaningful.*

For illustrative purposes only, we note the following:

- (i) The Group's incurred a loss after tax attributable to owners of the Company of approximately RM57.0 million for the LTM ended 31 March 2018. Hence, the Group's LTM ROE and LTM net profit margin are negative and not meaningful. For illustrative purposes only, we note that the LTM ROE and LTM net profit margin for the Selected Comparable Companies are between 2.6% to 16.3% and 1.1% to 14.8% respectively.
- (ii) The Group's asset turnover is within the range, and slightly higher than both the median and simple average for the Selected Comparable Companies.
- (iii) The Group's total liabilities to shareholders' equity ratio is within the range, slightly lower than the simple average but slightly higher than the median for the Selected Comparable Companies whilst the Group's total borrowings to shareholders' equity ratio is within the range, in line with the simple average but slightly higher than the median of the Selected Comparable Companies (save for Khong Guan and Japan Foods which had no borrowings).

In summary, the historical financial performance of the Group as reflected by the LTM ROE and LTM net profit margin appears to be weaker than the Selected Comparable Companies which were mostly profitable (save for OCB, Berjaya Food, China Kangda and Rex which were loss making). In terms of asset turnover, the Group appears to be more favourable than the median and simple average of the Selected Comparable Companies. The Group's financial position in terms of total liabilities to shareholders' equity and total borrowings to shareholders' equity appears to be relatively in line with both the median and simple average of the Selected Comparable Companies.

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

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

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Selected Comparable Companies	Market Capitalisation (\$ m)	LTM EV/ EBITDA ⁽¹⁾ (times)	LTM PER ⁽²⁾ (times)	P/NAV ⁽³⁾ (times)	P/NTA ⁽⁴⁾ (times)	Premium/ (discount) over/from NTA (%)
(A) Selected Food Processing Companies						
Hosen	13.6	8.4	18.2	0.5	0.5	(52.5)%
Khong Guan	53.2	13.4	26.7	0.8	0.8	(16.9)%
Sino Grandness	194.9	2.0	2.6	0.3	0.3	(69.9)%
OCB	19.4	n.m. ⁽⁵⁾	n.m. ⁽⁵⁾	0.3	0.3	(65.4)%
HB Global	21.5	4.0	4.6	0.3	0.3	(66.6)%
MAXIMUM	194.9	13.4	26.7	0.8	0.8	(16.9)%
MINIMUM	13.6	2.0	2.6	0.3	0.3	(69.9)%
MEDIAN	21.5	6.2	11.4	0.3	0.3	(65.4)%
SIMPLE AVERAGE	60.5	6.9	13.0	0.4	0.5	(54.3)%
(B) Selected Food Services Companies						
ABR	162.8	9.5	26.1	1.7	2.0	99.5%
Japan Foods	89.3	6.2	16.5	2.7	2.7	171.0%
Sakae	27.3	12.3	25.7	0.8	0.8	(19.7)%
Berjaya Food	214.0	12.8	n.m. ⁽⁶⁾	1.6	n.m. ⁽⁶⁾	n.m. ⁽⁶⁾
OWG	86.2	12.0	41.5	1.1	1.1	9.9%
MAXIMUM	214.0	12.8	41.5	2.7	2.7	171.0%
MINIMUM	27.3	6.2	16.5	0.8	0.8	(19.7)%
MEDIAN	89.3	12.0	25.9	1.6	1.5	54.7%
SIMPLE AVERAGE	115.9	10.5	27.5	1.6	1.7	65.2%
(C) Selected Frozen and Trading Companies						
China Kangda	69.3	7.4	n.m. ⁽⁷⁾	0.5	0.6	(42.9)%
Saudee	17.9	8.5	28.0	0.8	0.8	(18.1)%
Rex	39.4	62.5	n.m. ⁽⁸⁾	0.8	0.9	(13.2)%
Kawan	249.1	16.6	25.2	2.4	2.4	137.5%
Lay Hong	197.8	10.3	18.0	1.9	2.0	96.6%
MAXIMUM	249.1	62.5	28.0	2.4	2.4	137.5%
MINIMUM	17.9	7.4	18.0	0.5	0.6	(42.9)%
MEDIAN	69.3	10.3	25.2	0.8	0.9	(13.2)%
SIMPLE AVERAGE	114.7	21.1	23.7	1.3	1.3	32.0%
COMBINED (A) + (B) + (C)						
MAXIMUM	249.1	62.5	41.5	2.7	2.7	171.0%
MINIMUM	13.6	2.0	2.6	0.3	0.3	(69.9)%
MEDIAN	69.3	9.9	25.2	0.8	0.8	(17.5)%
SIMPLE AVERAGE	97.0	13.3	21.2	1.1	1.1	10.7%
Group						
Issue Price	49.4	n.m.⁽⁹⁾	n.m.⁽⁹⁾	0.4⁽¹⁰⁾	0.5⁽¹⁰⁾	(54.0)%
Latest Practicable Date	44.2	n.m.⁽⁹⁾	n.m.⁽⁹⁾	0.4⁽¹⁰⁾	0.4⁽¹⁰⁾	(58.8)%

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

Notes:

(1) The LTM EV/EBITDA for the Selected Comparable Companies for is based on the most recent twelve months EBITDA as reported by the respective companies. The EBITDA for Hosen, Sino Grandness, OCB, HB Global, ABR, Japan Foods, Sakae, OWG, China Kangda, Rex, Kawan and Lay Hong are based on the most recent twelve months period ended 31 December 2017. The EBITDA for Khong Guan and Berjaya Food are based on the most recent twelve months period ended 31 January 2018. The EBITDA for Saudee is based on the most recent eleven months period ended 31 January 2018.

(2) The LTM PERs for the Selected Comparable Companies are based on the most recent twelve months earnings after tax as reported by the respective companies. The earnings after tax for Hosen, Sino Grandness, OCB, HB Global, ABR, Japan Foods, Sakae, OWG, China Kangda, Rex, Kawan and Lay Hong are based on the most recent twelve months period ended 31 December 2017. The earnings after tax for Khong Guan and Berjaya Food are based on the most recent twelve months period

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ended 31 January 2018. The earnings after tax for Saudee is based on the most recent eleven months period ended 31 January 2018.

- (3) *The P/NAV ratios for the Selected Comparable Companies are based on their respective NAV values as set out in their latest available announced audited or unaudited financial statements. The NAV for Hosen, Sino Grandness, OCB, HB Global, ABR, Japan Foods, Sakae, OWG, China Kangda, Rex, Kawan and Lay Hong are based on figures as at 31 December 2017. The NAV for Khong Guan, Berjaya Food and Saudee are based on the figures as at 31 January 2018.*
- (4) *The P/NTA ratios for the Selected Comparable Companies are based on their respective NTA values as set out in their latest available announced audited or unaudited financial statements. The NTA for Hosen, Sino Grandness, OCB, HB Global, ABR, Japan Foods, Sakae, OWG, China Kangda, Rex, Kawan and Lay Hong are based on the figures as at 31 December 2017. The NTA for Khong Guan, Berjaya Food and Saudee are based on the figures as at 31 January 2018.*
- (5) *OCB incurred a loss after tax attributable to equity holders and negative EBITDA of approximately RM21.5 million and RM7.6 million respectively for the LTM ended 31 December 2017. Hence, OCB's LTM PER and LTM EV/EBITDA ratios are negative and not meaningful.*
- (6) *Berjaya Food incurred a loss after tax attributable to equity holders of approximately RM3.0 million for the LTM ended 31 January 2018. Hence, Berjaya Food's LTM PER is negative and not meaningful. Berjaya Food was in net tangible liabilities position as at 31 January 2018. Hence, Berjaya Food's P/NTA ratio is negative and not meaningful.*
- (7) *China Kangda incurred a loss after tax attributable to owners of approximately RMB15.8 million for the LTM ended 31 December 2017. Hence, China Kangda's LTM PER is negative and not meaningful.*
- (8) *Rex incurred a loss after tax attributable to owners of approximately RM1.1 million for the LTM ended 31 December 2017. Hence, Rex's LTM PER is negative and not meaningful.*
- (9) *The Group incurred a loss after tax attributable to owners of the Company and negative EBITDA of approximately RM57.0 million and RM22.3 million respectively for the LTM ended 31 March 2018. Hence, the Group's LTM PER and LTM EV/EBITDA ratios are negative and not meaningful.*
- (10) *For the Group, the computation for P/NAV and P/NTA is based on the Group's RNAV and RNTA per Share. Please refer to Section 5.3 (a) of this IFA Letter for the computation of the Group's RNAV and RNTA per Share.*

Relative valuation for the Group

For illustrative purposes only, we note the following:

- (i) The market capitalisation of the Group as implied by the Issue Price and last transacted price for the Shares as of Latest Practicable Date is within the range but lower than both the median and simple average of the Selected Comparable Companies. We note that trading statistics for companies with higher market capitalisation may be different that those with lower market capitalisation and this may be attributed to the relative liquidity in terms of number or value of shares traded as well as relative interest in the shares of companies with larger market capitalizations. Hence, comparison of the valuation ratios for the Group and the Selected Comparable Companies are necessarily limited and presented herein for illustrative purpose only.
- (ii) The Group registered a loss after tax attributable to owners of the Company and negative EBITDA of approximately RM57.0 million and RM22.3 million respectively for the LTM ended 31 March 2018. Hence, the valuation of the Group in terms of LTM EV/EBITDA and LTM PER ratios as implied by the Issue Price and last transacted price for the Shares as at the Latest Practicable Date are negative and not meaningful. For illustrative purposes only, we note that the Selected Comparable Companies are traded at the LTM EV/EBITDA and LTM PER ratios of between 2.0 times to 62.5 times and between 2.6 times to 41.5 times respectively.
- (iii) The valuation of the Group in terms of P/NAV and P/NTA (as implied by both the Issue Price and last transacted price for the Shares as at the Latest Practicable Date and based on the Group's RNAV and RNTA) is lower than both the median and simple average, but still within the range of the Selected Comparable Companies.

In summary, the valuation of the Group in terms of LTM EV/EBITDA and LTM PER ratios, as implied by the Issue Price and the last transacted price for the Shares as at the Latest Practicable Date are not meaningful in view of the loss incurred and negative EBITDA in the LTM ended 31 March 2018. Meanwhile, the valuation of the Group in terms of P/NAV and P/NTA (as implied by both the Issue Price and last transacted price for the Shares as at the Latest Practicable Date and based on the Group's RNAV and RNTA) is lower than both the median and simple average for the Selected Comparable Companies but still within the range of the Selected Comparable Companies. We advise the Independent Directors to assess the above

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comparison of the valuation ratios between the Group and the Selected Comparable Companies in conjunction with the weaker historical financial performance of the Group (loss making for the LTM ended 31 March 2018) as compared to the Selected Comparable Companies which were mostly profitable (save for OCB, Berjaya Food, China Kangda and Rex).

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

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

5.4 Assessment of the Consideration

(a) Financial performance and position of the Target Company

We note from Section 2 of the Circular that the Target Company is a company incorporated in Malaysia on 26 January 2015 with its principal activities being food processing and trading in consumable products and property holdings and investments. It owns 2 plots of adjoining industrial land of 361,169 square feet in aggregate located at Lot 81 and Lot 82, Phase 2C, Section 4, Selangor Halal Hub, Pulau Indah, 42920 Port Klang (together, the “Land”). The Land is leasehold with a 99-year tenure expiring on 24 February 2097. Pursuant to the Industrial Co-ordination Act 1973 of Malaysia, the Target Company has been issued a manufacturing licence from the Ministry of International Trade and Industry of Malaysia for the manufacture of sweetened condensed milk, evaporated milk, milk powder, sterilised milk and tin cans on the Land. The Target Company has also registered the trademarks “Motilait” and “Family Farm” trademarks with the Trade Mark Registry in Malaysia. While the Target Company has not commenced manufacturing operations presently, it is intended that the Target Company will engage in the manufacture of sweetened condensed milk and evaporated milk to be sold in Malaysia under the aforementioned brands. There are also plans to export the manufactured sweetened condensed milk and evaporated milk to overseas markets.

We have been provided by the Company with the audited financial statements for the Target Company for TFY2016 and TFY2015, and the unaudited financial statements for the Target Company for TFY2017 and T3M2018. The following tables provide a summary of the financial statements for the Target Company for T3M2018, TFY2017, TFY2016 and TFY2015.

Summary of Income Statements

Figures in RM'000 ⁽¹⁾	Unaudited T3M2018	Unaudited TFY2017	Audited TFY2016	Audited TFY2015
Revenue	9	55	25	-
Cost of sales	(8)	(25)	(15)	-
Gross profit	1	29	10	-
Administrative expenses	(42)	(804)	(229)	(188)
Loss before tax	(42)	(774)	(219)	(188)
Loss after tax	(42)	(776)	(219)	(188)

Note:

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

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Summary of Statements of Financial Position

Figures in RM'000 ⁽¹⁾	Unaudited T3M2018	Unaudited TFY2017	Audited TFY2016	Audited TFY2015
Non-current assets	13,396	13,438	13,606	14,479
Current assets	141	140	1,017	92
Non-current liabilities	-	-	-	-
Current liabilities	4	3	14,630	14,359
Total borrowings	-	-	-	-
Shareholders' equity	13,533	13,575	(7)	212
Net working capital	137	137	(13,613)	(14,267)

Note:

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

We note the following:

- (i) The Target Company was incorporated on 26 January 2015 and hence, it did not record any revenue for TFY2015. The Target Company recorded minimal revenue of approximately RM25 thousand, RM55 thousand and RM9 thousand with corresponding gross profit of approximately RM10 thousand, RM29 thousand and RM1 thousand for TFY2016, TFY2017 and T3M2018 respectively. The revenue from the Target Company for TFY2016, TFY2017 and T3M2018 was derived from trading of consumable products and as at the Latest Practicable Date, the Target Company has not commenced its manufacturing operations.

The Target Company recorded total administrative expenses of approximately RM188 thousand, RM229 thousand, RM804 thousand, and RM42 thousand for TFY2015, TFY2016, TFY2017 and T3M2018 respectively. For TFY2017, the main components of administrative expenses were consultant fee (approximately RM396 thousand), depreciation (approximately RM168 thousand), professional fees (approximately RM97 thousand), processing fees (approximately RM88 thousand) and quit rent (approximately RM33 thousand). For T3M2018, the main components of administrative expenses were depreciation (approximately RM42 thousand).

The Target Company has been in the loss making position during the period reviewed recording losses after tax of approximately RM188 thousand, RM219 thousand, RM776 thousand and RM42 thousand in TFY2015, TFY2016, TFY2017 and T3M2018 respectively.

- (ii) As at 31 March 2018, the Target Company's non-current assets comprised solely of the Land with a carrying amount of approximately RM13.4 million. The Target Company's current assets as at 31 March 2018 amounted to approximately RM141 thousand, comprised trade receivables of approximately RM20 thousand, other receivable of approximately RM5 thousand, and cash and bank balances of approximately RM115 thousand.
- (iii) The Target Company recorded current liabilities as at 31 March 2018 of approximately RM4 thousand solely from other payables. We note that during TFY2017, amount due to directors of approximately RM14.4 million has been capitalised resulting in the positive shareholders' equity of the Target Company of approximately RM13.6 million as at 31 December 2017.
- (iv) The Target Company's net working capital were negative in TFY2015 and TFY2016 of approximately RM14.3 million and RM13.6 million respectively. The Target Company's net working capital has turned into positive region of approximately RM137 thousand as at 31 December 2017 and 31 March 2018 in view of the capitalisation of the amount due to directors.

The Target Directors confirmed to the best of their knowledge, that as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, and the unaudited financial statements for the Target Company for T3M2018 and TFY2017, there have been no material changes to the Target Company's assets and liabilities, financial position, condition and performance.

(b) NAV and NTA analysis of the Target Company

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

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In assessing the Consideration in relation to the NAV and NTA of the Target Company as at 31 March 2018, we have reviewed the unaudited statement of financial position of the Target Company as at 31 March 2018 to determine whether there are any assets that are of an intangible nature and as such would not appear in a valuation based on the NTA approach, but would be included in the NAV approach. Save as disclosed in the unaudited statement of financial position of the Target Company as at 31 March 2018 and in the Circular, the Target Directors have confirmed, that as at the Latest Practicable Date, to the best of their knowledge and based on disclosures made available to them, there are no other intangible assets or tangible assets which ought to be disclosed in such unaudited statement of financial position as at 31 March 2018 in accordance with Malaysia Private Entities Reporting Standard and which have not been so disclosed and where such intangible or tangible assets would have had a material impact on the overall financial position of the Target Company as at the Latest Practicable Date.

The Target Directors have also confirmed that, based on the information available to them, as at the Latest Practicable Date, there were no material contingent liabilities, bad or doubtful debts or unrecorded earnings or expenses or assets or liabilities which could have a material impact on the NAV or NTA of the Target Company as at 31 March 2018, save as disclosed in the unaudited financial statement of the Target Company as at 31 March 2018 as well as the Circular. In addition, the Target Directors are of the opinion that save as disclosed in the Circular and based on the information available to them, the values of the assets (other than those for which valuation has been conducted), and liabilities as well as financial performance or condition of the Target Company as disclosed and reflected in the unaudited financial statements of the Target Company as at 31 March 2018 are true and fair. Lastly, the Target Directors confirmed that based on the information available to them, to the best of their knowledge or belief that such information is true, complete and accurate in all respects and that there is no other information or fact, the omission of which would render those statements or information, including our references, as well as analysis of such information to be untrue, inaccurate or incomplete in any respect or misleading.

The following table shows an extract of the unaudited statement of financial position of the Target Company as at 31 March 2018.

Target Company's Unaudited Statement of Financial Position as at 31 March 2018 ⁽¹⁾		RM'000
<u>Non-current asset</u>		
Property, plant and equipment (the Land)		13,396
		13,396
<u>Current assets</u>		
Trade receivables		20
Other receivables		5
Tax recoverable		1
Cash and bank balances		115
		141
<u>Current liability</u>		
Other payables		4
		4
NAV		13,533
Less: Non-controlling interests		-
NAV attributable to owners of the company		13,533
Less: Intangible assets		-
NTA as at 31 March 2018		13,533
Consideration		24,000
Premium of Consideration over the Target Company's NAV and/or NTA		77.3%

Note:

(1) The figures above are based on the unaudited financial statements of the Target Company as at 31 March 2018 and are subject to rounding.

It is noted that the Consideration for the Proposed Acquisition represents a premium of approximately 77.3% over the NAV or NTA of the Target Company.

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Target's RNAV and/or RNTA

In our evaluation of the Consideration, we have also considered whether there are any assets which should be valued at an amount that is materially different from that which recorded in the unaudited financial statements of the Target Company as at 31 March 2018. As mentioned in the earlier section, the Company has commissioned the Land Valuer to determine the market value of the Land in its existing use and condition, which is recorded as non-current asset under the Target Company's unaudited statement of financial position as at 31 March 2018.

We note from the Land Valuation Summary Letter (which is set out as Appendix B of the Circular) and the Land Valuation Report (which is made available for inspection) that in ascertaining the market value of the Land, the Land Valuer is of the opinion that the most appropriate basis of valuation would be to value the subject property in its existing use and condition. The Land Valuer considers the most appropriate method to be adopted in the valuation of the Land would be the Comparison Method. The method is based on the concept that a prospective seller will expect his property to fetch the same price as that paid for similar properties in the locality. It entails the analysis and comparison of recent sales of comparable or similar properties in the area and making due allowances for all dissimilarities.

The Land Valuer also issued the Confirmation Letter confirming that the market value of the Land remained unchanged as at 10 April 2018.

The Directors represented and confirmed that they are aware of and satisfied with the selection of the assets (being the Land) for the valuation exercise. The Land accounted for 99.0% and 100.0% of the Target Company's total assets and total non-current assets as at 31 March 2018 respectively. In addition, having reviewed the Land Valuation Report and the Confirmation Letter (*inter alia*, the assumptions, methodology used and information relied upon by the Land Valuer) as a whole and the Directors are of the opinion that the assumptions and methodology of the Land Valuation Report are reasonable.

We have not made any independent evaluation or appraisal of the Target Company's assets and we have been furnished by the Company with the Land Valuation Report and the Confirmation Letter in respect of the market value of the Land. With respect to such valuation, we are not experts in the evaluation or appraisal of the Land and have relied on the Land Valuation Summary Letter, the Land Valuation Report and the Confirmation Letter for the market value of the Land and opinion of and confirmation from the Directors.

It is noted from the Land Valuation Summary Letter and the Land Valuation Report that the market value for the Land as ascribed by the Land Valuer amounted to RM21.0 million. Pursuant to the Confirmation Letter, the Land Valuer confirmed that, *inter alia*, the market value of the Land remained unchanged as of 10 April 2018. It is noted that the market value of the Land is higher than its net book value of approximately RM13.4 million as at 31 March 2018. For illustrative purpose only, the revaluation surplus for the Land has been calculated and presented in the table below assuming a hypothetical sale of the Land at the value ascribed by the Land Valuer above. The Target Directors represented and confirmed that, to the best of their knowledge and based on the information made available to them, there will be potential tax liability of approximately RM2.3 million if the Land which is subject to valuation were to be sold at the market value ascribed by the Land Valuer.

The Target's RNAV and RNTA ⁽¹⁾	RM'000
Market Value of the Land ascribed by the Land Valuer	21,000
Less: net book value of the Land as at 31 March 2018	(13,396)
Less: potential tax liability ⁽²⁾	(2,281)
Revaluation surplus	5,322
Target Company's NAV and/or NTA as at 31 March 2018	13,533
Add: Revaluation surplus	5,322
Target Company's RNAV and/or RNTA	18,856
Consideration	24,000
Premium of Consideration over the Target Company's RNAV and/or RNTA	27.3%

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Notes:

- (1) *The figures and computation are subject to rounding.*
- (2) *Figures are provided by management.*

Based on the table above, we note that the Consideration represents a premium of approximately 27.3% over the Target Company's RNAV and/or RNTA.

We wish to highlight that although the RNAV and/or RNTA of the Target Company shown above include revaluation surplus of the Land, it should be noted that the Target Company has not realised the surplus on such assets as at the Latest Practicable Date, and that there is no assurance that the revaluation surplus eventually recorded by the Target Company on the Land as described above (in the event that the Land is disposed) will be the same as that indicated above.

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

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

(c) Analysis of Comparable Transactions

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

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Name of acquirer⁽¹⁾	Target companies	Date of announcement	% of equity interest acquired	Consideration Structure	Total consideration for target companies (\$ million)	Consideration to Target NTA (times)	Target profit/Loss
AVIC International Maritime Holdings Limited	AVIC Zhenjiang Shipyard Marine Pte. Ltd.	21-Apr-15	60%	100% cash	4.9	1.2	Profit
EMS Energy Limited	Windale Holdings Limited	24-Apr-15	100%	20.84% cash and 79.16% shares	150.0	0.8	Profit (loss 3-mth interim)
Raffles United Limited	Raffles Capital Enterprise Pte. Ltd.	10-Jun-15	51%	100% cash	8.0	1.0	Profit
Rowsley Limited	GG Collections Private Limited	27-Aug-15	50%	91% cash and 9% debt	12.0	0.7	Loss
Rowsley Limited	Café Football Limited	27-Aug-15	75%	99.99% debt (less than 0.01% cash)	1.0	3.6	Loss
Rowsley Limited	Orchid Leisure Limited	27-Aug-15	50%	48.2% cash and 51.8% debt	50.1	1.0	Loss
Midas Holdings Limited	Huicheng Capital Limited	30-Nov-15	100%	100% shares	264.0	0.7	Profit
Koh Brothers Eco Engineering Limited	Koh Brothers Building & Civil Engineering Contractor (te.) Ltd.	7-Jan-16	100%	100% shares	19.0	0.8	Profit
3Cnergy Limited	Liberty Bridge Sdn. Bhd.	29-Mar-16	100%	100% shares	64.0	1.0	Loss
Manhattan Resources Limited	PT Kariangau Power	29-Apr-16	92%	100% cash	50.0	1.6	Loss
Pharmesis International Ltd.	Jiangyou Neautus Traditional Chinese Medicine Technology Co. Ltd.	6-May-16	100%	100% cash	1.8	1.0	Loss
Sen Yue Holdings Limited	SMC Industrial Pte Ltd	11-May-16	50%	13.48% cash and 86.52% shares	8.9	1.0	Loss
Anchor Resources Limited	GGT Manufacturing Sdn. Bhd.	27-Jun-16	100%	100% shares	103.3	1.0	Loss
Singapore Medical Group Limited	Lifescan Imaging Pte. Ltd.	5-Aug-16	62%	100% shares	8.5	3.2	Loss (profit 6-mth interim)
Ocean Sky International Limited	Ang Tong Seng Brothers Enterprises Pte Ltd	21-Sep-16	70%	42.11% cash and 57.89% shares	22.8	4.3	Profit
China Jinjiang Environment Holding Company Limited	Zhejiang Zhuji Bafang Thermal Power Co., Ltd	5-Oct-16	100%	100% cash	62.7	1.0	Profit
China Jinjiang Environment Holding Company Limited	Wenling Green Energy Co., Ltd.	5-Oct-16	100%	100% cash	27.8	1.3	n.a.

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Name of acquirer ⁽¹⁾	Target companies	Date of announcement	% of equity interest acquired	Consideration Structure	Total consideration for target companies (\$ million)	Consideration to Target NTA (times)	Target profit/Loss
Cedar Strategic Holdings Ltd. (now known as Emerging Towns & Cities Singapore Ltd.)	DAS Pte. Ltd.	17-Oct-16	25%	75.9% shares and 24.1% in cash	6.3	0.5	Loss
Pollux Properties Ltd.	Pollux Alpha Investments Ltd	31-Jul-17	100%	62.2% shares and 27.8% in cash	200.9	1.0	Profit
Libra Group Limited	YC Capital Consolidated Sdn. Bhd.	10-Oct-17	51%	(via set-off) 100%	12.0	n.m. ⁽²⁾	Loss
Silverlake Axis Ltd	Silverlake Digital Economy Sdn Bhd	20-Oct-17	100%	100%	30.2	10.8	Profit
Silverlake Axis Ltd	Silverlake Digitale Sdn Bhd	20-Oct-17	100%	100%	15.0	4.2	Profit
Silverlake Axis Ltd	Silverlake One Paradigm Sdn Bhd	20-Oct-17	100%	100%	4.6	21.5	Profit (loss 6-mth interim)
Union Gas Holdings Limited	U-Gas Pte. Ltd.	15-Feb-18	100%	70% shares and 30% cash	9.2	10	Profit
MAXIMUM			100%		264.0	21.5	
MINIMUM			25%		1.0	0.5	
MEDIAN			100%		17.0	1.0	
SIMPLE AVERAGE			81%		47.4	3.2	
Company	Target Company	15-Nov-17	100%	79.17% Consideration Shares and 20.83% cash	8.1⁽³⁾	1.3⁽⁴⁾	Loss

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

Notes:

- (1) Figures and computation are subject to rounding.
- (2) Not meaningful as the target, YC Capital Consolidated Sdn. Bhd, has net tangible liabilities of approximately RM0.1 million after adjustments as disclosed in the circular.
- (3) Based on the Consideration of approximately RM24 million and translated into SGD based on the exchange rate of S\$1: RM2.9450 as at the Latest Practicable Date.
- (4) Based on Target Company's RNTA as shown in Section 5.4(b) of this IFA Letter.

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For illustrative purposes only, we note the following:-

- (i) The value of the Target Company as implied by the Consideration is within the range, higher than the median but lower than the simple average of the Selected IPT Acquisitions.
- (ii) The Target Company's P/RNAV ratio of 1.3 times as implied by the Consideration and the RNTA is within the range, higher than the median but lower than the simple average of the Selected IPT Acquisitions.

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

6. OTHER CONSIDERATIONS

6.1 Dilution impact of the Proposed Acquisition to the Independent Shareholders

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

	Total interest as at Latest Practicable Date		Total interest upon completion of the Proposed Acquisition and issuance of the Consideration Shares ⁽²⁾	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽²⁾
Directors				
Dato' Jaya J B Tan ⁽³⁾	39,947,686	31.67%	39,947,686	28.15%
Dato' Kamal Y P Tan ⁽³⁾	39,947,686	31.67%	39,947,686	28.15%
Datuk Sam Goi Seng Hui ⁽⁴⁾	27,197,364	21.56%	27,197,364	19.16%
Mah Weng Choong	6,287,444	4.98%	6,287,444	4.43%
Teo Chee Seng	30,000	0.02%	30,000	0.02%
John Lyn Hian Woon	301,100	0.24%	301,100	0.21%
Substantial Shareholders (other than Directors)				
Tee Yih Jia Food Manufacturing Pte. Ltd.	15,590,700	12.36%	15,590,700	10.99%
Vendors				
Khor Sin Kok	4,874,044	3.86%	20,649,254	14.55%
Khor Guat Bee	-	-	-	-
Public Shareholders (excluding Vendors) ⁽⁵⁾	47,505,651	37.66%	47,505,651	33.47%
Existing Independent Shareholders	121,269,245	96.14%	121,269,245	85.45%
TOTAL	126,143,289	100.00%	141,918,499	100.00%

Notes:

- (1) Computed based on 126,143,289 issued Shares as at the Latest Practicable Date.

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- (2) *Computed based on the enlarged issued Shares capital of 141,918,499 Shares after issuance of the Consideration Shares.*
- (3) *Deemed interested in each other Shares through the Shares held by Dato' Jaya J B Tan, Dato' Kamal Y P Tan and spouse.*
- (4) *Deemed interested in the Shares held by Tee Yih Jia Food Manufacturing Pte. Ltd. by virtue of section 7 of the Companies Act, Cap.50.*
- (5) *Shareholders other than the Directors, the substantial Shareholders and the Vendors.*

Based on the above illustration, we note that following the issuance of 15,775,210 Consideration Shares pursuant to the completion of the Proposed Acquisition, the number of Shares in issue will increase from 126,143,289 Shares to 141,918,499 Shares. The Vendors' shareholding will increase from approximately 3.86% as at the Latest Practicable Date to approximately 14.55% following the issuance of 15,775,210 Consideration Shares pursuant to the completion of the Proposed Acquisition. Lastly, we note that the shareholdings of the existing Independent Shareholders will decrease from approximately 96.14% as at the Latest Practicable Date to approximately 85.45% following the issuance of 15,775,210 Consideration Shares pursuant to the completion of the Proposed Acquisition.

6.2 Pro forma financial effects of the Proposed Acquisition

The pro forma financial effects of the Proposed Acquisition and its underlying assumptions can be found in Section 8 of the Circular. We recommend that the Independent Directors advise the Independent Shareholders to read those pages of the Circular carefully.

For illustrative purpose only, we note from Section 8 of the Circular that the Group's NTA per Share would decline from RM2.16 before the Proposed Acquisition to RM2.10 after the Proposed Acquisition and issuance of the Consideration Shares. The Group's loss per Share would improve from 41.54 sen before the Proposed Acquisition to 37.98 sen after the Proposed Acquisition and issuance of the Consideration Shares. It is noted that both the Group and the Target Company were both loss making and the improvement in the Group's loss per Share after the Proposed Acquisition was caused by the dilution arising from the issuance of the Consideration Shares. Lastly, we note that on the assumption that bank borrowings of RM37.5 million are taken up for the purposes of the Proposed Cash Injection into the Target Company, the Group's gearing ratio would increase from approximately 0.44 times as at 30 September 2017 to approximately 0.53 times after the Proposed Acquisition.

6.3 No assurance of profitability or price for Shares

Independent Directors should note that no profit warranty has been provided by any party with respect to the future performance of the Target Company in connection with the Proposed Acquisition. There can be no assurance that the Target Company will be able to turn into profit in the near future or in the long term.

The Target Company recorded net loss after tax of approximately RM42 thousand, RM776 thousand, RM219 thousand and RM188 thousand in T3M2018, TFY2017, TFY2016 and TFY2015 respectively.

We would also highlight that there is no assurance that the steps taken or to be taken by the Group or the Target Company to improve the profitability and Shareholders' value, including *inter alia*, setting up the dairy business operations in Malaysia, will be successful or would result in an enhancement of Shareholder value or would result in the Shares being traded higher than the current price as at the Latest Practicable Date.

6.4 No alternative investment/business expansion or acquisition opportunity other than the Target Acquisition

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

6.5 Voting for the Proposed Acquisition

Pursuant to Rule 919 of the Listing Manual, an interested person and any associate of the interested person shall abstain from voting on the resolutions approving the interested person transactions involving themselves and their associates. Such interested persons and their associates shall not as proxies nor

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accept appointments as proxies in relation to such resolutions unless specific voting instructions had been given by the Shareholders.

We note from Section 5.3 of the Circular that Mr Khor Sin Kok is a Shareholder holding 4,874,044 Shares (representing 3.86% of the existing Share capital as at the Latest Practicable Date). Accordingly, Mr Khor Sin Kok shall therefore abstain, and has undertaken to ensure that his associates will abstain, from voting in respect of each of their shareholdings in the Company on Ordinary Resolution 1 and Ordinary Resolution 2 relating to the Proposed Acquisition and the Proposed Allotment respectively. Mr Khor Sin Kok has also undertaken to decline, and ensure that his associates will also decline, to accept appointment as proxies to vote at and attend the forthcoming EGM in respect of Ordinary Resolution 1 and Ordinary Resolution 2 relating to the Proposed Acquisition and the Proposed Allotment respectively, unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

6.6 Financing requirements for the Target's dairy businesses

We understand from Section 3.2 of the Circular that it is intended that following the completion of the Proposed Acquisition, the Group will inject funds of approximately RM55,021,000 (inclusive of GST) into the Target Company to, amongst others, set up and construct the manufacturing and distribution operations of the dairy business and to purchase machinery and vehicles for the dairy business. The Proposed Cash Injection will be funded by way of cash (to be raised by way of future fund raising exercises to be carried out by the Company) and bank borrowings extended to the Target Company.

	Amount of Proposed Cash Injection (RM'000)	Funding by way of cash (RM'000)	Funding by way of bank borrowings (RM'000)
Factory Building	24,486	7,486	17,000
Professional Fees	1,224	1,224	-
Plant & Machinery	26,191	5,691	20,500
Distribution Vehicles	2,120	2,120	-
Pre-operation Expenditure	1,000	1,000	-
Total	55,021	17,521	37,500

The Directors further confirmed the following in connection with the setting up and construction of the manufacturing and distribution operations of dairy businesses in Malaysia:-

- (i) Pursuant to the Industrial Co-ordination Act 1973 of Malaysia, the Target Company has been issued a manufacturing licence from the Ministry of International Trade and Industry of Malaysia for the manufacture of sweetened condensed milk, evaporated milk, milk powder, sterilised milk and tin cans on the Land. The Target Company has also registered the "Motilait" and "Family Farm" trademarks with the Trade Mark Registry in Malaysia. While the Target Company has not commenced manufacturing operations presently, it is intended that the Target Company will engage in the manufacture of sweetened condensed milk and evaporated milk to be sold in Malaysia under the aforementioned brands. There are also plans to export the manufactured sweetened condensed milk and evaporated milk to overseas markets.
- (ii) On 24 November 2017, the Target Company has obtained the necessary approval from the relevant authorities for the construction of the manufacturing facility on the Land.
- (iii) The Target Company has obtained Islamic financing facilities from a financial institution of approximately RM37.5 million for the construction and purchase of machineries. The said financing facilities has a tenure of 10 years (inclusive of 24 months grace period with deferred profit payment) and consist of:-
 - Term Financing 1 tranche 1 of approximately RM5.0 million with effective profit rate of 3.75% p.a.
 - Term Financing 1 tranche 2 of approximately RM12.0 million with effective profit rate of 7.50% p.a.
 - Term Financing 2 tranche 1 of approximately RM5.0 million with effective profit rate of 5.00% p.a.

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- Term Financing 2 tranche 2 of approximately RM15.5 million with effective profit rate of 7.50% p.a.

The said financing facilities are secured by, *inter alia*, (a) first party, first legal charge over the Land together with the new manufacturing plant to be erected thereon; (b) letter of undertaking from shareholders of the Target Company to provide cash injection to cover cost overrun during construction period and any shortfall in the payment of the facilities; (c) debenture over fixed and floating assets of the Target Company both present and future; and (d) joint and severals guarantee by Khor Sin Kok, Mah Weng Choong and Kwong Yuen Seng. We understand from the Directors that the intention is upon completion of the Proposed Acquisition and subject to agreement by the financial institution, to request for removal of guarantee provided by Khor Sin Kok, Mah Weng Choong and Kwong Yuen Seng and to be replaced with corporate guarantee by the Company. The remaining construction cost and purchase of machineries shall be financed by advance from the Company.

Shareholders should note that debt financing may result in effective subordination of Shareholders' interests to the debt, creating the possibility of default, placing debt covenants which, *inter alia*, could limit the Enlarged Group's financial and business alternatives or growths.

The Directors have confirmed that based on the information made available to them and taking into account the Proposed Cash Injection, the existing cash and cash equivalents and banking facilities available to the Company and the Target Company, barring unforeseen circumstances, the Directors are of the opinion that the working capital available to the Enlarged Group as at the Latest Practicable Date is sufficient for present requirements and for at least 12 months after the completion of the Proposed Acquisition and the payment of interest and principal of the borrowings when due.

7. OPINION

In arriving at our recommendation, we have reviewed and examined all factors which we have considered to be pertinent in our assessment of the Proposed Acquisition as an IPT, including the views of and representations by the Directors. Our recommendation or opinion is by no means an indication of the merits, prospects, financial performance and position after completion of the Proposed Acquisition of the Company or the Group or the Target Company (including, *inter alia*, the setting up of the Target Company's dairy business and its manufacturing facility in Malaysia) or the Enlarged Group or whether the Group or the Target Company or the Enlarged Group can improve their financial position and performance, and cash flow or that the anticipated benefits from the Proposed Acquisition can be realised (as the case may be) or the prices at which the Shares would trade after the completion of the Proposed Acquisition. Save for the Asset Valuation Summary Letters and the Asset Valuation Reports in connection with the market value of the Revalued Assets, we have not been furnished with the valuation for PPE other than those for the Revalued Assets and have relied on the Directors' confirmation that as at the Latest Practicable Date, on aggregate basis, there are no material differences between the estimated market value of the PPE for which no valuation was obtained and their respective book values. Our views, recommendation and opinion are thus necessarily limited and subject to these matters as well as others mentioned in this Letter. The following should be read in conjunction with, and in the context of, the full text of this Letter.

- (a) The rationale for the Proposed Acquisition as set out in Section 6 of the Circular and the Directors' view that:
 - (i) The Proposed Acquisition is in line with the Group's long term growth strategy to expand its business through mergers and acquisitions. The Proposed Acquisition will provide the Group with an additional income stream from the sale of dairy products, a business that the Group had previously ventured into and made a significant gain on disposal.
 - (ii) Given that the Group previously operated a dairies and packaging business, it therefore has significant experience in the dairies business and is of the view that it will be able to leverage on such experience when the Target Company commences operations in the manufacturing of dairy products. The Group plans to grow the Target Company and replicate the success of the dairies division which it previously owned. The Target Company has identified a group of senior management executives who have established track records and many years of experience in running and managing large regional food and beverage companies, including overseeing the setting up, financing, manufacturing and distribution operations of dairy businesses in Malaysia

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and exporting dairy products, in particular sweetened condensed milk and evaporated milk. It is intended that these key executives will be employed to form the management team of the Target Company and will bring along their experience in procurement, manufacturing, sales and marketing and general management with the support from the Group's management and financial resources to ensure success. Notwithstanding that the Group was loss-making for FY2017, the Board is of the view with the Group's previous track record in operating a dairies business and the experience of these key executives, the dairies business under the Proposed Acquisition has significant potential for the generation of revenue and profit for the Group.

- (iii) While the Target Company has not commenced manufacturing operations presently, the Group is of the view that it will be able to deploy its expertise and experience in operating a dairies business to provide useful and strategic input into the setting up of the operations of dairy business of the Target Company. Additionally, the Purchaser was able to obtain a good price for the Proposed Acquisition given that the Target Company has not commenced manufacturing operations. As described in the Circular, the Proposed Cash Injection into the Target Company will be made by way of cash (to be raised by way of future fund raising exercises to be carried out by the Company) and bank borrowings extended to the Target Company
 - (iv) The issuance of the Consideration Shares to Mr Khor Sin Kok, the Deputy Group CEO of the Company, will further incentivise his work in the Group and align his interests with the Group's interests. The issuance of the Consideration Shares as part satisfaction of the Proposed Acquisition will also conserve the Group's cash resources.
- (b) The historical financial performance and position of the Group. The Group reported small loss after tax attributable to owners of the Company of approximately RM0.4 million in FY2015. Subsequently, the Group reported profit after tax attributable to the owners of the Company of approximately RM2.9 million in FY2016. In FY2017 and HY2018, the Group reported significant loss after tax attributable to the owners of the Company of approximately RM52.4 million and RM9.4 million respectively, mainly due impairment loss of available-for-sale financial assets and increases in its total operating expenses. In addition, we note that the Group's net working capital position worsened from approximately RM228.9 million as at end of FY2015 to approximately RM118.7 million as at end of FY2016 to approximately RM79.6 million as at end of FY2017 and RM55.2 million as at end of HY2018. The Group shareholders' equity declined from approximately RM373.5 million as at 30 September 2015 to approximately RM350.5 million as at 30 September 2016 to approximately RM314.9 million as at 30 September 2017 and approximately RM297.0 million as at 31 March 2018.
- (c) The evaluation of the Issue Price (as set out in Section 5 of this Letter) after taking into account, *inter alia*, the following factors:
- (i) The Issue Price represents a discount of approximately 51.1% from the Group's NAV per Share as at 31 March 2018 and approximately 45.0% from the Group's NTA per Share as at 31 March 2018.
 - (ii) The Issue Price represents a discount of approximately 58.3% from the Group's RNAV per Share and a discount of approximately 54.0% from the Group's RNTA per Share.
 - (iii) Comparison of the Issue Price and the historical prices for the Shares:
 - The Issue Price is at a discount of approximately 2.2% from the last transacted price of S\$0.400 per Share on SGX-ST on 7 November 2017, being the Last Trading Day prior to the Announcement Date;
 - The Issue Price is at a discount of approximately 12.7% and 2.8% from the VWCP for the Shares for the 12-month and 6-month periods prior to the Announcement Date respectively;
 - The Issue Price is at a premium of approximately 2.5% and 0.3% over the VWCP for the Shares for the 3-month and 1-month periods prior to the Announcement Date;

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- The Issue Price is at a premium of approximately 2.7% over the VWCP for the Shares for the period commencing on the Market Day immediately after the Announcement Date and ending on the Latest Practicable Date; and
- The Issue Price is at a premium of approximately 11.8% over the last transacted price of S\$0.350 per Share on SGX-ST on 2 May 2018, being the Latest Practicable Date.

Independent Directors should note that the above comparison should be assessed in the context of low liquidity for Shares (in terms of number of Shares traded on the daily basis as compared to the total number of issued Shares) for the 12 months period prior to the Announcement Date and at the same time noting that the frequency for which Shares were traded appear to be relatively high. It is generally accepted that the more actively traded the shares, the greater the reliance on market prices as a determination of the fair value of the shares between willing buyer and willing seller. Whilst historically transacted prices for the Shares may not be a meaningful indicator of its fundamental value in view of the lack of liquidity for the Shares (in terms of number of Shares traded on daily basis), they nonetheless represent for prices for transactions between willing buyer and willing seller.

- (iv) Fair comparison of the valuation of the Group as implied by the Issue Price with the valuation ratios of the Selected Comparable Companies – the valuation of the Group in terms of P/NAV and P/NTA, as implied by the Issue Price and the Group's RNAV and RNTA, appears to be lower than the simple average and the median for the Selected Comparable Companies, but still within the range for the Selected Comparable Company. The P/NAV and P/NTA multiples for the Group when assessed in the context of the weaker historical financial performance of the Group (loss making for the LTM ended 31 March 2018) as compared to the Selected Comparable Companies which were mostly profitable (save for OCB, Berjaya Food, China Kangda and Rex), appears to be reasonable and comparable with the Selected Comparable Companies.
- (d) The evaluation of the Consideration for the Proposed Acquisition (as set out in Section 5 of this Letter) after taking into account, *inter alia*, the following factors:
 - (i) The historical financial performance of the Target Company which appears to be weak, in particular, the Target Company recorded minimal revenue during the period reviewed and has been in the loss making position during the period reviewed recording losses attributable to shareholders' of approximately RM188 thousand, RM219 thousand, RM776 thousand and RM42 thousand in TFY2015, TFY2016, TFY2017 and T3M2018 respectively.
 - (ii) The Consideration for the Proposed Acquisition represents a premium of approximately 77.3% over the Adjusted NAV and/or NTA of the Target Company.
 - (iii) The Consideration represents a premium of approximately 27.3% over the Target Company's RNAV and/or RNTA.
 - (iv) The Target Company's P/RNAV ratio of 1.3 times as implied by the Consideration and the RNAV is within the range, higher than the median but lower than the simple average for the Selected IPT Acquisitions.
- (e) The potential financial effects of the Proposed Acquisition as outlined in Section 8 of the Circular. We wish to highlight that the Proposed Acquisition will lead to an improvement in the Group's loss per Share whilst noting that both the Group and the Target Company were both loss making and the improvement in the Group's loss per Share after the Proposed Acquisition was caused by the dilution arising from the issuance of the Consideration Shares. In addition, the Proposed Acquisition will result in a lower NTA per Share and higher gearing ratio for the Group (on the assumption that bank borrowings of RM37.5 million are taken up for the purpose of the Proposed Cash Injection). However, we also note from Section 12 of the Circular that the Directors are of the view that the Proposed Transactions are in the best interests of the Company and accordingly recommend that the Shareholders vote in favour of the resolutions for the Proposed Acquisition.

APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

- (f) The dilution impact on existing Independent Shareholders' interest which we considered in the context that:-
- (i) the Consideration shall be satisfied by issuance of the 15,775,210 Consideration Shares and RM5.0 million in cash. It should be noted that in the event that the Company would raise funds via private placement or rights issue, the dilution effect to the existing Independent Shareholders would likely be worse as there would likely be more new Shares issued as the issue price for private placement or rights issue would likely be at higher discounts than the discount of approximately 2.2% implied by the Issue Price from the last transacted price for the Shares on being the Last Trading Day prior to the Announcement Date.
 - (ii) The Directors' view that the issuance of the Consideration Shares will conserve the Group's cash resources and will further incentivise Mr Khor Sin Kok and align his interests with the Group's interests.
- (g) The Directors' confirmation that as at the Latest Practicable Date, they are not aware of any firm/formal offer for alternative investment/business expansion or acquisition opportunity available to the Company, which is comparable in nature, size and scope to the Proposed Acquisition.
- (h) Other relevant considerations as set out in Section 6 of this Letter.

In summary, having regard to our analysis and the consideration in this Letter (including its limitations and constraints, *inter alia*, absence of valuation for un-appraised PPE with net book value of approximately RM170.5 million as at 31 March 2018) and after having considered carefully the information available to us and based on market, economic and other relevant conditions prevailing as at the Latest Practicable Date, and subject to our terms of reference, **we are of the opinion that, on balance, the Proposed Acquisition as an IPT, is ON NORMAL COMMERCIAL TERMS, and NOT PREJUDICIAL to the interest of the Company and its Minority Shareholders.**

Notwithstanding the Issue Price for the Consideration Shares is at substantial discount from the Group's RNAV and RNTA, we consider the financial terms of the Proposed Acquisition as an IPT to be, on balance, **ON NORMAL COMMERCIAL TERMS**, from a financial point of view after factoring, *inter alia*, the following:

- (i) The Issue Price for the Consideration Shares is relatively in line with the historical market prices for the Shares considering, *inter alia*, (a) the Issue Price is at a discount of approximately 2.2% from the last transacted price for the Shares on the Last Trading Day prior to the Announcement Date; (b) the Issue Price is at a discount of approximately 12.7% and 2.8% from the VWCP for the Shares for the 12-month and 6-month periods prior to the Announcement Date respectively; (c) the Issue Price is at a premium of approximately 2.5% and 0.3% over the VWCP for the Shares for the 3-month and 1-month periods prior to the Announcement Date; and (d) the Issue Price is at a premium of approximately 2.7% over the VWCP for the Shares for the period commencing on the Market Day immediately after the Announcement Date and ending on the Latest Practicable Date. It is also noted that the Issue Price is at a premium of approximately 11.8% over the last transacted price of S\$0.350 per Share on SGX-ST on 2 May 2018, being the last Trading Day prior to the Latest Practicable Date.
- (ii) Fair comparison of the valuation of the Group as implied by the Issue Price in terms of P/RNAV and P/RNTA with the Selected Comparable Companies after considering, *inter alia*, the weaker historical financial performance of the Group (loss making for the LTM ended 31 March 2018) as compared to the Selected Comparable Companies which were mostly profitable (save for OCB, Berjaya Food, China Kangda and Rex).
- (iii) The Consideration represents a premium of approximately 27.3% over the Target Company's RNAV and/or RNTA (or implied P/RNAV or P/RNTA of 1.3 times). The Target Company's P/RNAV ratio of 1.3 times as implied by the Consideration and the RNAV is fairly comparable with the valuation multiple for the Selected IPT Acquisitions.

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

APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

- (i) The Directors' view that the Proposed Transactions are in the best interest of the Company in view of, *inter alia*, (a) the Proposed Acquisition is in line with the Group's long term growth strategy to expand its business through mergers and acquisitions; (b) the Proposed Acquisition will provide the Group with an additional income stream from the sale of dairy products, a business that the Group had previously ventured into and made a significant gain on disposal; (c) the Group has significant experience in the dairies business and is of the view that it will be able to leverage on such experience when the Target Company commences operations and replicate the success of the previously owned dairies division; (d) the Target Company has identified a group of senior management executives who have established track records and many years of experience in running and managing large regional food and beverage companies, including overseeing the setting up, financing, manufacturing and distribution operations of dairy businesses in Malaysia and exporting dairy products, in particular sweetened condensed milk and evaporated milk; and (e) the issuance of the Consideration Shares will conserve the Group's cash resources and will further incentivise Mr Khor Sin Kok and align his interests with the Group's interests.
- (ii) The Directors' confirmation that as at the Latest Practicable Date, they are not aware of any firm/formal offer for alternative investment/business expansion or acquisition opportunity available to the Company, which is comparable in nature, size and scope to the Proposed Acquisition.
- (iii) The dilution impact on existing Independent Shareholders' interest which we considered in the context that: (a) the Consideration shall be satisfied by issuance of the 15,775,210 Consideration Shares and RM5.0 million in cash and in the event that the Company would raise funds via private placement or rights issue, there would likely be more new Shares issued as the issue price for private placement or rights issue would likely be at higher discount than the discount of approximately 2.2% implied by the Issue Price from the last transacted price for the Shares on being the Last Trading Day prior to the Announcement Date; and (b) the Directors' view that the issuance of the Consideration Shares will conserve the Group's cash resources and will further incentivise Mr Khor Sin Kok and align his interests with the Group's interests.

Recommendation

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

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

Matters to highlight

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

- (1) The scope of our appointment does not require us to express, and we do not express and have not commented on or assessed the expected future performance or prospects of the Company or the Group or the Target Company or the Enlarged Group after the completion of the Proposed Acquisition. Accordingly, our evaluation and opinion and recommendation do not and cannot take into account future or prospective performance of the Company or the Group or the Target Company (including, *inter alia*, the setting up of the Target Company's dairy business and its manufacturing facility in Malaysia) or the Enlarged Group and neither are we responsible for it. We are therefore not expressing any view herein as to the prices at which the Shares may trade upon completion or

APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

rejection of the Proposed Acquisition or the other transactions or resolutions stipulated in the Circular (if any) or voting for or voting against the Proposed Acquisition or the other transactions or resolutions stipulated in the Circular (if any) or on the future financial performance of the Company or the Group or the Target Company or the Enlarged Group or the plans (if any) for each of them (including, *inter alia*, the setting up of the Target Company's dairy business and its manufacturing facility in Malaysia). Estimates or analysis or evaluation of the merits of the Company or the Group or the Target Company or the Proposed Acquisition as IPTs, if any, in this Letter are necessarily limited and we do not warrant or represent that it is complete or in entirety.

- (2) Our scope does not require us and we have not made any independent evaluation or appraisal of the Group's assets and liabilities (including without limitation, property, plant and equipment, and investment properties) and the Target Company's assets and liabilities (including without limitation, property, plant and equipment) or contracts entered into by the Group or Target Company and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into by the Group or the Target Company save for the Asset Valuation Reports, the Land Valuation Report and the Confirmation Letter. With respect to such valuation, we are not experts in the evaluation (including without limitation, market value or economic potential) or appraisal of assets and liabilities (including without limitation, property, plant and equipment, and investment properties) including *inter alia* the contracts or agreements that the Group or the Target Company has embarked upon or are about to embark upon and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.
- (3) The Directors are of the opinion that, save for the Revalued Assets, the values of the assets and liabilities as well as the financial performance or condition of the Group as reflected in the unaudited financial statements for the Group as at 31 March 2018 are true and fair. Likewise, the Target Directors are of the opinion that to the best of their knowledge and beliefs, save for the Land, the values of the assets and liabilities as well as the financial performance or condition or position of the Target Company as reflected in the unaudited financial statements for T3M2018 are true and fair in any material aspect.
- (4) The Directors and the Target Directors further confirmed that as at the Latest Practicable Date and save for matters disclosed in this Letter, the unaudited financial statements for the Group for HY2018 and FY2017, and the unaudited financial statements for the Target Company for T3M2018 and TFY2017, there has been no material changes to the Group's and Target Company's assets and liabilities, financial position, condition and performance.

Specific objectives

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

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote on his behalf should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the office of the Company's Share Registrar at 50 Raffles Place, Singapore Land Tower, #32-01 Singapore 048623, not less than 72 hours before the time for holding the EGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes.

In addition, Independent Shareholders are advised to read Section 17 of the Circular and Notice of the EGM which has been enclosed with the Circular carefully so that the appropriate election on voting for or voting against can be made.

APPENDIX A – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

This Letter is prepared pursuant to Rule 921(4) of the Listing Manual of the SGX-ST as well as addressed to the Independent Directors in connection with and for the sole purpose of their evaluation of the Proposed Acquisition as IPT and is not meant or intended to be an evaluation of the other resolutions to be proposed (where applicable) or alternatives. Whilst a copy of this Letter may be included in the Circular, neither the Company nor the Directors nor any other party, may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of ACA in each specific case, except that the Company and the Directors and the Shareholders may reproduce, disseminate or quote the IFA Letter for the sole purpose of the Proposed Acquisition as IPT and/or at the forthcoming EGM. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters and the scope of our appointment stated herein and does not apply by implication to any other matter. Save as disclosed herein, nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act Chapter 53B and any re-enactment thereof shall not apply. Nothing herein shall prevent or exclude Shareholders from relying on this Letter in connection with the Proposed Acquisition as IPT, whether pursuant to the Contracts (Rights of Third Parties) Act Chapter 53B of Singapore or otherwise.

The recommendations made by the Independent Directors to the Independent Shareholders in relation to the Proposed Acquisition as IPT, as well as other resolutions referred to in the Circular (where applicable) and the issue of the Circular shall remain the sole responsibility of the Independent Directors and the Directors respectively.

Yours faithfully,

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

H.K. LIAU
MANAGING DIRECTOR

FOO QUEE YIN
MANAGING DIRECTOR

APPENDIX B – LAND VALUATION SUMMARY LETTER



KUMPULAN JURUNILAI SDN BHD

(136578 M)

THE PROPERTY VALUERS

REGISTERED VALUERS ◊ PROPERTY MANAGERS ◊ PROPERTY CONSULTANTS ◊ ESTATE AGENTS



VE (1) 0057

15B, Second Floor, Jalan Pandan 3/5,
Pandan Jaya, 55100 Kuala Lumpur.
Tel: 03-92832033 / 92832233 Fax: 03-92838793 E-mail: kjsb1985@yahoo.com

Our Ref : KJ/V/SHH/2017-15255/YS/Mrj

Your Ref :

Date : July 20, 2017

26 Syawal 1438H

Messrs Polygold Holdings Sdn Bhd
The Envictus, Level 4,
No. 11, Jalan 225,
46100 Petaling Jaya,
Selangor

RE : Report and Valuation of Lot Nos. PT 129331 & PT 129332, Title Nos. HSD 135847 & HSD 135848 respectively, Both in Mukim & District of Klang, State of Selangor.
(Lot Nos. 81 and 82, Jalan Sg Pinang 4/2, Selangor Halal-Hub, Pulau Indah, 41400 Pelabuhan Klang, Selangor)

Pursuant to your instruction to assess the Market Value of the abovementioned property we have accordingly inspected the property, examined all relevant data and submit herewith our Valuation Report for your attention.

In accordance with our terms of reference and subject to the limiting conditions stated herein, we are of the opinion that the Market Value of the properties, subject to the titles being good, marketable, registrable, free from legal encumbrances and with vacant possession are breakdown as follows:-

Lot No.	Market Value	Forced Sale Value
PT 129331	RM 10,000,000.00	RM 7,000,000.00
PT 129332	RM 11,000,000.00	RM 7,700,000.00
Total	RM 21,000,000.00 (Ringgit Malaysia : Twenty One Million Only)	RM 14,700,000.00 (Ringgit Malaysia : Fourteen Million and Seven Hundred Thousand Only)

Thank you.

Yours faithfully

KUMPULAN JURUNILAI SDN BHD

Sr YUSAIMI BIN SHAMSUDIN
BSc. (Hons) Estate Management (UiTM)
MRISM, Registered Valuer (V1032/E2509)
YS/Mrj

Our Other Offices:

- 1st Floor, Office Lot 23/1, Jalan Tiara 3, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan. Tel: 03-33424660 Fax: 03-33434770 E-mail: kjsbklang@gmail.com
- B-1-3, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan. Tel: 05-2553550 Fax: 05-2554660 E-mail: kjperak@streamyx.com

APPENDIX B – LAND VALUATION SUMMARY LETTER



KUMPULAN JURUNILAI SDN BHD
THE PROPERTY VALUERS

SALIENT FACTORS

1. Our Ref : KJ/V/SHH/2017-15255/YS/Mrj
2. Property Titles : Lot Nos. PT 129331 & PT 129332
Title Nos. HSD 135847 & HSD 135848
respectively
Both in Mukim & District of Klang
State of Selangor
3. Property Identification : Lot Nos. 81 and 82, Jalan Sg Pinang 4/2,
Selangor Halal-Hub, Pulau Indah,
41400 Pelabuhan Klang, Selangor
4. Type of Property : Two Plots of Adjoining Vacant Industrial
Land
5. Total Land Areas : 33,553.73 sq metres or 361,169 sq ft
6. Tenure : Leasehold interest for 99 years expiring on
February 24, 2097
7. Registered Owner : MOTIVAGE SDN BHD
8. Date of Valuation : July 8, 2017
9. Total Market Value : RM21,000,000.00
10. Total Forced Sale Value : RM14,700,000.00
11. Instruction By : POLYGOLD HOLDINGS SDN BHD
12. Purpose of Valuation : Financing purpose
13. Valuer : This report and valuation was prepared by
Mohamad Razin Bin Jusoh and approved by
Registered Valuer Sr Yusaimi Bin
Shamsudin.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

Our Ref : IMG/VCOR170106/IBI.TUN

26th December 2017 | 7 Rabiulakhir 1439H

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

The Envictus, Level 4
No. 11, Jalan 225
46100 Petaling Jaya
Selangor Darul Ehsan

Attention : **Dato' Kamal Y P Tan**
Group Chief Executive Officer

Dear Yang Berhormat Dato',

REPORT AND VALUATION OF PLANT, MACHINERY AND EQUIPMENT LOCATED WITHIN DE-LUXE FOOD SERVICES SDN BHD, NO. 9, JALAN KORPORAT KU 9, TAMAN PERINDUSTRIAN MERU, 42200 KLANG, SELANGOR DARUL EHSAN

[HEREINAFTER REFERRED TO AS 'THE SUBJECT PROPERTY']

In pursuance to recent instruction by our client i.e. **ENVICTUS INTERNATIONAL HOLDINGS LIMITED** to value the mechanical and electrical components including plant, machinery and equipment for the purpose of internal management use, we hereby confirm that we have carried out necessary inspection and investigated available data related and relevant to the matter.

Having considered all the relevant factors affecting value, we are of the opinion that the Market Value of the subject property within an industrial premise – a bakery production bearing postal address De-Luxe Food Services Sdn Bhd, No. 9, Jalan Korporat KU 9, Taman Perindustrian Meru, 42200 Klang, Selangor Darul Ehsan on 'as-is where is' basis i.e. in their present existing use in the business of the company and subject to the above provisions as at 30th September 2017 is **Ringgit Malaysia Sixteen Million Three Hundred Eighty One Thousand Five Hundred And Twenty Two Only (RM16,381,522.00)**.

This Report and Valuation is subject to the Limiting Conditions, a copy of which is contained herein.

Yours faithfully,
for **IM GLOBAL PROPERTY CONSULTANTS SDN BHD**


Sr. HJ ISHAK BIN ISMAIL
MBA, B. Surv, Dip. In Val
FRISM, MRICS, MPEPS, MMIEA, MMIPPM, MIACVA
Chartered Surveyor
Registered Valuer V-484
Managing Director

Registered Valuers, Real Estate Agents, Property Managers, Auctioneers & Development Consultants
Branch :
Kedah : No. 1558, Tingkat 2, Jalan Kota, 05000 Alor Setar, Kedah Darul Aman.
Tel : +604-735 2599, +604-7306144 Fax : +604-7306209
Penang : No. 69, Tingkat 1, Taman Selat, Jalan Bagan Luar, 12000 Butterworth, Pulau Pinang.
Tel : +604-3299 369, +604-3299 368 Fax : +604-3299 367



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Penilai / Ejen Harta Tanah
(V-484 / E-1462)



IM Global Property Consultants Sdn. Bhd.
701223-X

Board Registration : VE(1)0253
No. 47-2, Second Floor, Wisma IMG,
Jalan 3/76D, Desa Pandan,
55100 Kuala Lumpur.

Tel : +603-9284 8884
Fax : +603-9281 1884
E : info@img.com.my
W : www.img.com.my

EXECUTIVE SUMMARY

Our Reference : IMG/VCOR170106/IBI.TUN.

Client (s) : ENVICTUS INTERNATIONAL HOLDINGS LIMITED.

Location : De-Luxe Food Services Sdn Bhd, No. 9, Jalan Korporat KU 9, Taman Perindustrian Meru, 42200 Klang, Selangor Darul Ehsan.

Utilization of Property : Bakery production.

Type of Property : Plant, machinery and equipment.

Date of Valuation : 30th September 2017.

Date of Inspection : 13th December 2017.

Purpose of Valuation : Internal management use.

Method of Valuation : Depreciated Replacement Cost Method.

Opinion of Value : **Ringgit Malaysia Sixteen Million Three Hundred Eighty One Thousand Five Hundred And Twenty Two Only (RM16,381,522.00)**



**THIS EXECUTIVE SUMMARY IS TO BE READ IN THE CONTEXT OF THE
ACCOMPANYING FULL REPORT AND VALUATION**

Registered Valuers, Real Estate Agents, Property Managers, Auctioneers & Development Consultants



Penilai / Ejen Harta Tanah
(V-484 / E-1462)

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

Our Ref : IMG/VCOR170104/IBI.TUN

26th December 2017 | 7 Rabiulakhir 1439H

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

The Envictus, Level 4
No. 11, Jalan 225
46100 Petaling Jaya
Selangor Darul Ehsan

Attention : **Dato' Kamal Y P Tan**
Group Chief Executive Officer

Dear Yang Berhormat Dato',

REPORT AND VALUATION OF PLANT, MACHINERY AND EQUIPMENT LOCATED WITHIN GOURMESSA SDN BHD, NO. 2, JALAN U1/24, SEKSYEN U1, HICOM-GLENMARIE INDUSTRIAL PARK, 40150 SHAH ALAM, SELANGOR DARUL EHSAN

[HEREINAFTER REFERRED TO AS 'THE SUBJECT PROPERTY']

In pursuance to recent instruction by our client i.e. **ENVICTUS INTERNATIONAL HOLDINGS LIMITED** to value the mechanical and electrical components including plant, machinery and equipment for the purpose of internal management use, we hereby confirm that we have carried out necessary inspection and investigated available data related and relevant to the matter.

Having considered all the relevant factors affecting value, we are of the opinion that the Market Value of the subject property within an industrial premise – a frozen food production bearing postal address Gourmessa Sdn Bhd, No. 2, Jalan U1/24, Seksyen U1, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on 'as-is where is' basis i.e. in their present existing use in the business of the company and subject to the above provisions as at 30th September 2017 is **Ringgit Malaysia Three Million Six Hundred Twenty Nine Thousand Six Hundred And Eight Only (RM3,629,608.00)**.

This Report and Valuation is subject to the Limiting Conditions, a copy of which is contained herein.

Yours faithfully,
for **IM GLOBAL PROPERTY CONSULTANTS SDN BHD**


Sr. HJ ISHAK BIN ISMAIL
MBA, B. Surv, Dip. In Val.
FRISM, MRICS, MPEPS, MMIEA, MMIPPM, MIACVA
Chartered Surveyor
Registered Valuer V-484
Managing Director

Registered Valuers, Real Estate Agents, Property Managers, Auctioneers & Development Consultants
Branch :
Kedah : No. 1558, Tingkat 2, Jalan Kota, 05000 Alor Setar, Kedah Darul Aman.
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Penang : No. 69, Tingkat 1, Taman Setat, Jalan Bagan Luar, 12000 Butterworth, Pulau Pinang.
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Penilai / Ejen Harta Tanah
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55100 Kuala Lumpur.

Tel : +603-9284 8884
Fax : +603-9281 1884
E : info@img.com.my
W : www.img.com.my

EXECUTIVE SUMMARY

Our Reference : IMG/VCOR170104/IBI.TUN.

Client (s) : ENVICTUS INTERNATIONAL HOLDINGS LIMITED.

Location : Gourmessa Sdn Bhd, No. 2, Jalan U1/24, Seksyen U1, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.

Utilization of Property : frozen food production.

Type of Property : Plant, machinery and equipment.

Date of Valuation : 30th September 2017.

Date of Inspection : 13th December 2017.

Purpose of Valuation : Internal management use.

Method of Valuation : Depreciated Replacement Cost Method.

Opinion of Value : **Ringgit Malaysia Three Million Six Hundred Twenty Nine Thousand Six Hundred And Eight Only (RM3,629,608.00).**



**THIS EXECUTIVE SUMMARY IS TO BE READ IN THE CONTEXT OF THE
ACCOMPANYING FULL REPORT AND VALUATION**

Registered Valuers, Real Estate Agents, Property Managers, Auctioneers & Development Consultants



Penilai / Ejen Harta Tanah
(V-484 / E-1462)

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

Our Ref : IMG/VCOR170105/IBI.TUN

26th December 2017 | 7 Rabiulakhir 1439H

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

The Envictus, Level 4
No. 11, Jalan 225
46100 Petaling Jaya
Selangor Darul Ehsan

Attention : **Dato' Kamal Y P Tan**
Group Chief Executive Officer



IM Global Property Consultants Sdn. Bhd.

Board Registration : VE(1)0253
No. 47-2, Second Floor, Wisma IMG,
Jalan 3/76D, Desa Pandan,
55100 Kuala Lumpur.

Tel : +603-9284 8884
Fax : +603-9281 1884
E : info@img.com.my
W : www.img.com.my

Dear Yang Berhormat Dato',

**REPORT AND VALUATION OF PLANT, MACHINERY AND EQUIPMENT LOCATED WITHIN
POK BROTHERS SDN BHD, NO. 2, JALAN U1/24, SEKSYEN U1, HICOM-GLENMARIE
INDUSTRIAL PARK, 40150 SHAH ALAM, SELANGOR DARUL EHSAN**

[HEREINAFTER REFERRED TO AS 'THE SUBJECT PROPERTY']

In pursuance to recent instruction by our client i.e. **ENVICTUS INTERNATIONAL HOLDINGS LIMITED** to value the mechanical and electrical components including plant, machinery and equipment for the purpose of internal management use, we hereby confirm that we have carried out necessary inspection and investigated available data related and relevant to the matter.

Having considered all the relevant factors affecting value, we are of the opinion that the Market Value of the subject property within an industrial premise – a frozen food production and distribution bearing postal address Pok Brothers Sdn Bhd, No. 2, Jalan U1/24, Seksyen U1, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan on 'as-is where is' basis i.e. in their present existing use in the business of the company and subject to the above provisions as at 30th September 2017 is **Ringgit Malaysia Three Hundred Eighty Five Thousand Six Hundred And Seven Only (RM385,607.00).**

This Report and Valuation is subject to the Limiting Conditions, a copy of which is contained herein.

Yours faithfully,
for **IM GLOBAL PROPERTY CONSULTANTS SDN BHD**


Sr. HJ ISHAK BIN ISMAIL
MBA, B. Surv, Dip. In Val.
FRISM, MRICS, MPEPS, MMIEA, MMIPPM, MIACVA
Chartered Surveyor
Registered Valuer V-484
Managing Director



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Penilai / Ejen Harta Tanah
(V-484 / E-1462)

EXECUTIVE SUMMARY

Our Reference : IMG/VCOR170105/IBI.TUN.

Client (s) : ENVICTUS INTERNATIONAL HOLDINGS LIMITED.

Location : Pok Brothers Sdn Bhd, No. 2, Jalan U1/24, Seksyen U1, Hicom-Glenmarie Industrial Park, 40150 Shah Alam, Selangor Darul Ehsan.

Utilization of Property : frozen food production and distribution.

Type of Property : Plant, machinery and equipment.

Date of Valuation : 30th September 2017.

Date of Inspection : 13th December 2017.

Purpose of Valuation : Internal management use.

Method of Valuation : Depreciated Replacement Cost Method.

Opinion of Value : **Ringgit Malaysia Three Hundred Eighty Five Thousand Six Hundred And Seven Only (RM385,607.00).**



**THIS EXECUTIVE SUMMARY IS TO BE READ IN THE CONTEXT OF THE
ACCOMPANYING FULL REPORT AND VALUATION**

Registered Valuers, Real Estate Agents, Property Managers, Auctioneers & Development Consultants



Penilai / Ejen Harta Tanah
(V-484 / E-1462)

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



JS VALUERS PROPERTY CONSULTANTS SDN. BHD.

Reg. No: VE(1)0088

Co. No: 265185-U



Unit No. B-11-15, Block B, Megan Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

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Property Consultants* Chartered Surveyors* Registered Valuers* Property Managers* Estate Agents* Researchers* Auctioneers*

Your Ref: -

JS Ref : V/15/61995/KL-RV1(AII)

Private & Confidential

11 December 2017

Envictus International Holdings Limited
The Envictus, Level 5
No. 11, Jalan 225
46100 Petaling Jaya
Selangor Darul Ehsan

Dear Sir/Madam

Legal description	:	HS(D) 174593, PT 11, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan
Address of property	:	No. 11, Jalan 225, 46100 Petaling Jaya, Selangor Darul Ehsan
Property type	:	Industrial premises accommodating a single storey detached factory, a 6-storey office building with with a basement car park and two guard houses

1.0 Terms Of Reference

In accordance with the instruction from **Envictus International Holdings Limited** for our firm to advise on the Market Value of the abovementioned property for Corporate Management purposes subject to the Limiting Conditions attached to this report.

Accordingly, we have duly inspected the subject property on 6 December 2017, taken all relevant particulars, extracted particulars of titles at the relevant Land Office and perused photocopies of the relevant pages of the Tenancy Agreements furnished to us and made the necessary investigation to arrive at our opinion of value.

Our basis of valuation is **Market Value** subject to the existing tenancies in its existing condition (unless otherwise stated) and on the basis that a certificate of fitness for occupation or certificate of completion and compliance is issued and the title is free of all encumbrances, restrictive conditions, endorsements, statutory notices and all outgoings.

We now submit our report and valuation for your perusal.

2.0 The Subject And Date Of Valuation

The subject of this valuation comprises the legal interest in an industrial premises accommodating a single storey detached factory, a 6-storey office building with with a basement car park and two guard houses.

The date of inspection is taken to be the material date of valuation.

3.0 Location And Neighbourhood

The subject property fronts onto Jalan 225, within Section 51A, Petaling Jaya, Selangor Darul Ehsan. It is sited about 3 kilometres due south-west of the Petaling Jaya city centre and approximately 15 kilometres due south-west of the Kuala Lumpur city centre.

The subject property is accessible from the Kuala Lumpur city centre via the Federal Highway, Jalan 222 and finally onto Jalan 225.

Section 51A, Petaling Jaya is an established mixed development comprising mainly industrial premises of various scales, flatted factories, pockets of vacant industrial land, single storey terraced houses, as well as condominium/apartment developments known as Residency @ Park 51A and Baiduri Apartment. Notable industrial premises in the locality include Pan Global Insurance, Johnson & Johnson, Sime Darby Technologies Sdn Bhd, Nestle Food Specialities Sdn Bhd, Yeo Hiap Seng Berhad, Wisma O'Connor, Malaya Acid Works Berhad and Sharp (M) Sdn Bhd.

The Petaling Jaya city centre (Section 52) comprising double to four storey terraced shopoffices, Menara MBPJ together with facilities and amenities such as banks, post office, police station, hotels and government administration offices, is located approximately 3 kilometres north-east of the subject property.

The commercial centre of Petaling Jaya old town (Section 1) which comprises double, three and four storey terraced shophouses/offices, PJ Majestic Square and Pasar Besar, is located along Jalan Othman, Jalan 1/12, Jalan 1/19 and Jalan 1/21, about 3 kilometres to the south-east of the subject property

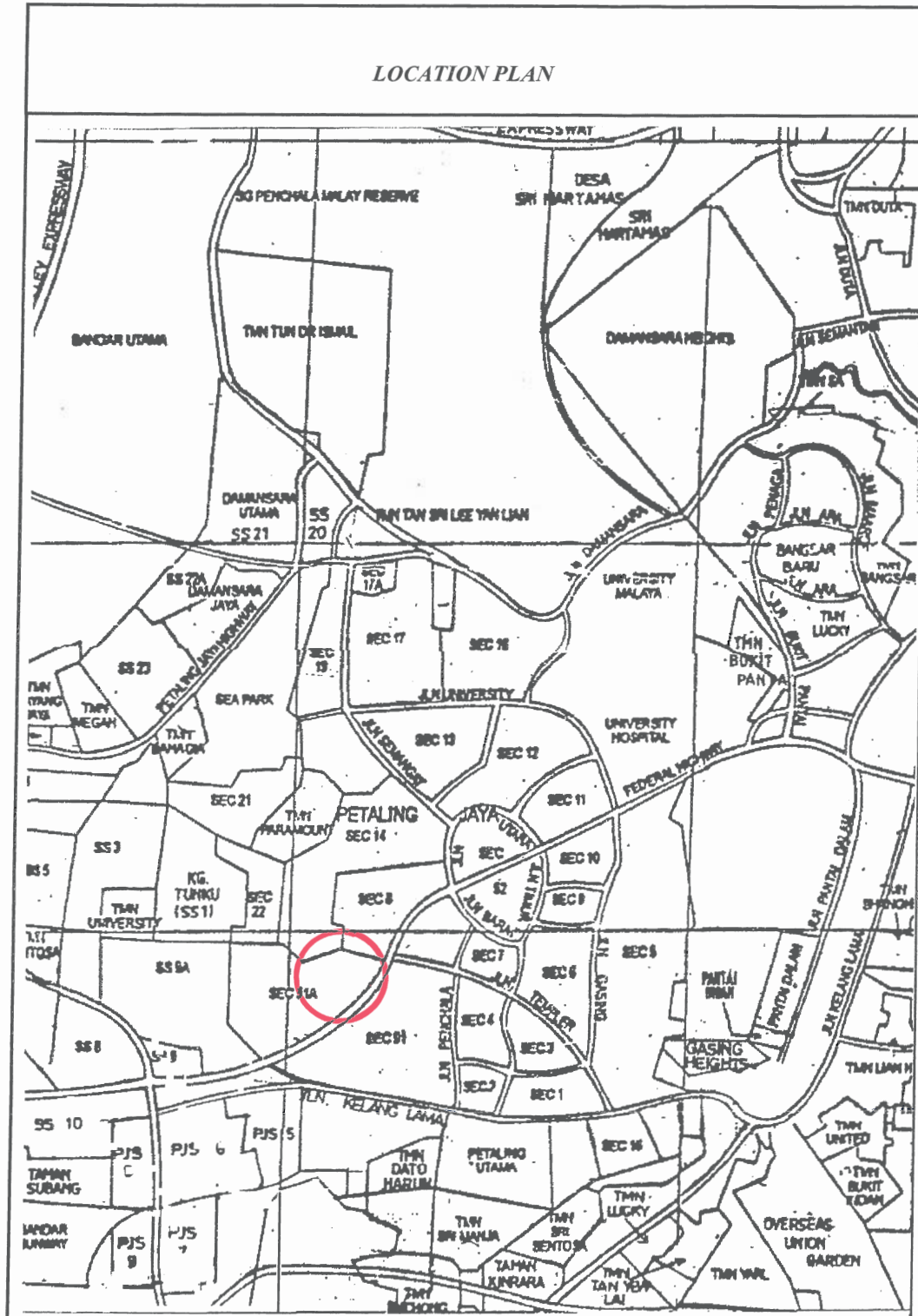
APPENDIX C – ASSET VALUATION SUMMARY LETTERS



Surrounding housing schemes include the various sections of Petaling Jaya namely, Sections 8, 14, 20 and 22, Kampung Tunku (SS1), Taman Universiti (SS3) and SS9A & SS9 (Seri Setia). Sited across the Federal Highway is another established industrial area namely Section 51, Petaling Jaya.

For easy identification, the subject property is marked red in the plan(s) attached overleaf.

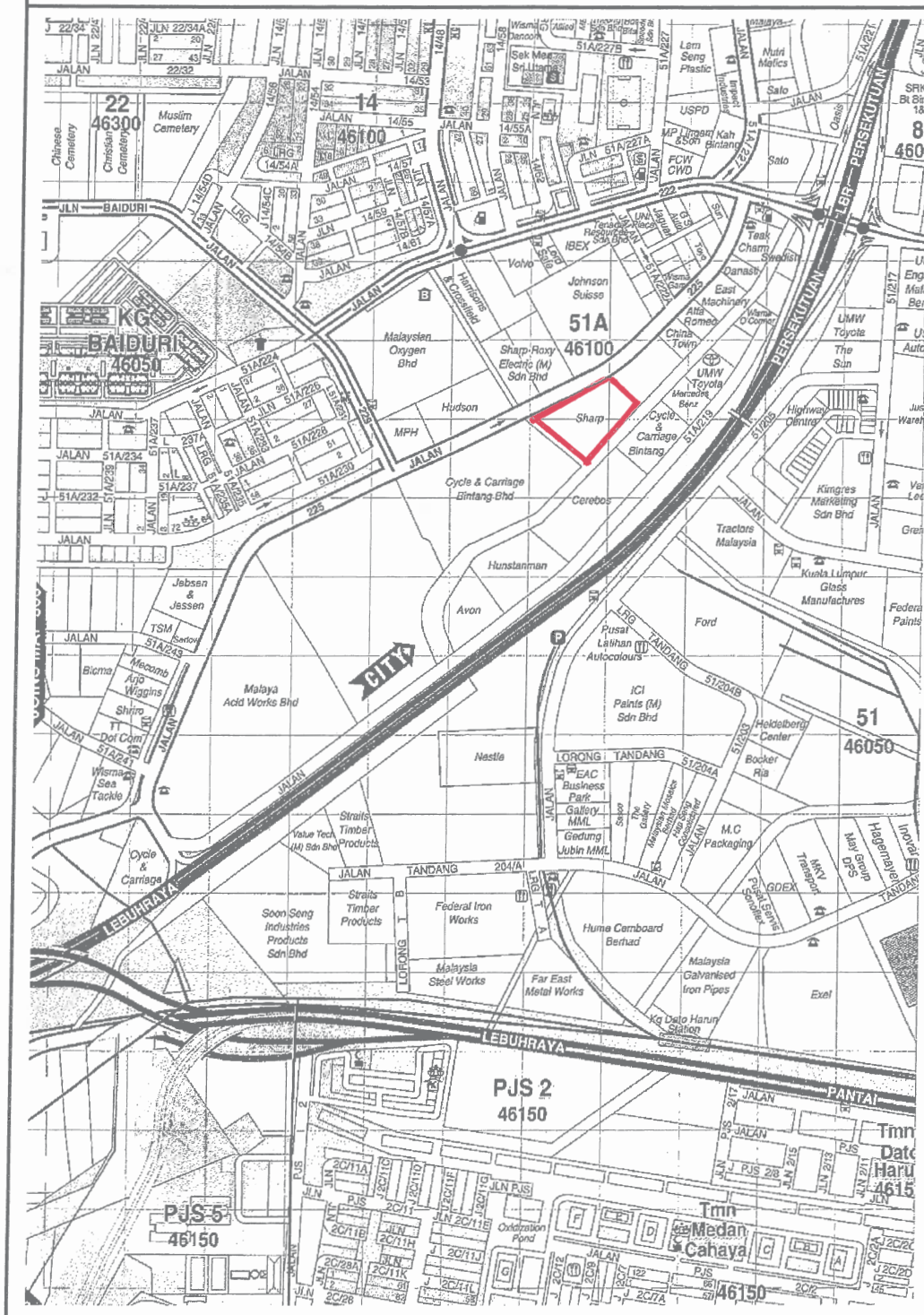
APPENDIX C – ASSET VALUATION SUMMARY LETTERS



APPENDIX C – ASSET VALUATION SUMMARY LETTERS



APPROXIMATE LOCATION PLAN



4.0 Description Of Property

4.1 The Site

The subject site is a detached industrial lot, almost trapezoidal in shape and having a provisional titled land area of 123,580 square feet or 11,480.582 square metres. However, as per Certified Plan No. 28001 obtained from Jabatan Ukur Dan Pemetaan Malaysia (JUPEM), we noted that a final survey has been conducted and the subject property has been allotted with a new Lot No. 18 with a surveyed land area of 125,316 square feet or 11,642.24 square metres which is adopted in our valuation.

The site has a frontage of about 452 feet along its north-western (front) boundary onto Jalan 225 and an average depth of about 313 feet. The rear boundary abuts onto Sungai Penchala.

The site boundaries are generally demarcated with 3-foot high fairface brickwalls surmounted with chain link fencing and 5-foot high chain link fencing.

The driveway and internal circulation areas are of tarmacadamised.

4.2 The Building

Erected on the subject site are a single storey detached factory, a 6-storey office building with a basement car park and two guard houses.

4.2.1 Single Storey Detached Factory

Type of construction	:	Partly reinforced concrete framework and partly metal framework with 15-foot high plastered brickwalls at the lower portion and metal sheet cladding at the upper portion, supporting metal deck roofing sheets.
Ceiling	:	Opens onto the underside of metal deck roofing sheets.
Window	:	Fixed glass louvres.
Door	:	Electrically-operated metal roller shutters, fire-rated doors and flush plywood.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



Accommodation & Flooring	:	Accommodation	Floor finishes
		Warehouse	cement screed
		Toilets	ceramic tiles with ceiling high wall tiles
		Store	cement screed
		TNB sub-station	cement screed

The detached factory has an eaves height of about 20 feet and a main floor area of about 54,031 square feet (5,019.7 square metres) and an ancillary floor area of about 1,140 square feet (105.9 square metres).

4.2.2 Six (6) Storey Office Building with a Basement Carpark

Type of construction	:	Reinforced concrete framework with brick infills rendered externally and plastered internally supporting a metal sheet decking roof.	
Ceiling	:	Suspended mineral boards with recessed lightings, cement plaster with emulsion paint and plaster boards with inset lightings.	
Window	:	Aluminium framed tinted glass and top-hung windows.	
Door	:	Electrically-operated metal roller shutters, frameless glass panels, fire-rated doors and flush plywood.	
Vertical access	:	Two passenger lifts each with a maximum capacity of 17 persons or 1,160 kilograms and three flights of reinforced concrete staircases.	
Accommodation & Flooring	:	Accommodation	Floor finishes
		Basement	
		Lift lobby	homogeneous tiles
		Car park (28 Nos.)	cement screed
		Surau	homogeneous tiles
		Electric meter room	cement screed

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



Telephone switch room	cement screed
Ground Floor	
Entrance foyer	granite slabs
Lift lobby	granite slabs
Show room area	homogeneous tiles
Toilets	ceramic tiles with ceiling high wall tiles
First Floor	
Lift lobby	porcelain tiles
Lobby	laminated timberply
Office area	carpets
Office rooms	carpets/timber strips
Training room	carpets
Meeting rooms	carpets
Discussion area	carpets
Discussion rooms	carpets
Pantry	timber strips
Toilets	ceramic tiles with ceiling high wall tiles
Second Floor	
Lift lobby	porcelain tiles
Office area	cement screed
Pantry	cement screed
Toilets	ceramic tiles with ceiling high wall tiles
Third Floor	
Lift lobby	porcelain tiles
Reception/waiting area	laminated timberply
Office area	carpets
Office rooms	carpets
Meeting rooms	carpets
Storage space	porcelain tiles
Server room	carpets
Pantry	timber strips
Toilets	ceramic tiles with ceiling high wall tiles

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



Fourth Floor

Lift lobby	porcelain tiles
Reception/waiting area	laminated timberply
Office area	carpets
Office rooms	carpets
Meeting rooms	carpets
Drawing room	carpets
Storage space	porcelain tiles
Server room	carpets
Pantry	laminated timberply
Toilets	ceramic tiles with ceiling high wall tiles

Fifth Floor

Lift lobby	porcelain tiles
Lounge area	marble slabs
Office area	timber strips/carpets
Office rooms	timber strips/carpets
Lounge room	marble slabs
Board room	timber strips/carpets
Meeting rooms	timber strips/carpets
Pantry	homogeneous tiles
Toilets	ceramic tiles with ceiling high wall tiles

Roof Top

Lift motor room	cement screed
Domestic storage tank room	cement screed

Building area : The gross floor area is about 75,590 square feet (7,022.54 square metres) made up as follows:-

Floor	Main Floor Area (square feet)	Ancillary Floor Area (square feet)
Basement	11,638	-
Ground Floor	10,011	1,390
First Floor	10,269	-
Second Floor	10,269	-
Third Floor	10,269	-
Fourth Floor	10,269	-
Fifth Floor	10,269	-
Roof Top	1,206	-
Total	74,200	1,390

4.2.3 Guard Houses

There are two guard houses located near the office building and detached factory.

Type of construction : Reinforced concrete framework with brick infills rendered externally and plastered internally supporting a metal decking roof.

Ceiling : Asbestos free ceiling boards.

Window : Aluminium framed glass panels and fixed glass louvres.

Door : Flush plywood.

Flooring : cement screed

The two guard houses have a total main floor area of about 516 square feet (47.93 square metres).

The subject property is fitted with fire-fighting equipment such as break glass alarm, sprinklers system, heat detector, smoke detector, dry powder, water hose system, emergency lights, portable fire extinguishers, 'Keluar' (Exit) signs and water hydrants.

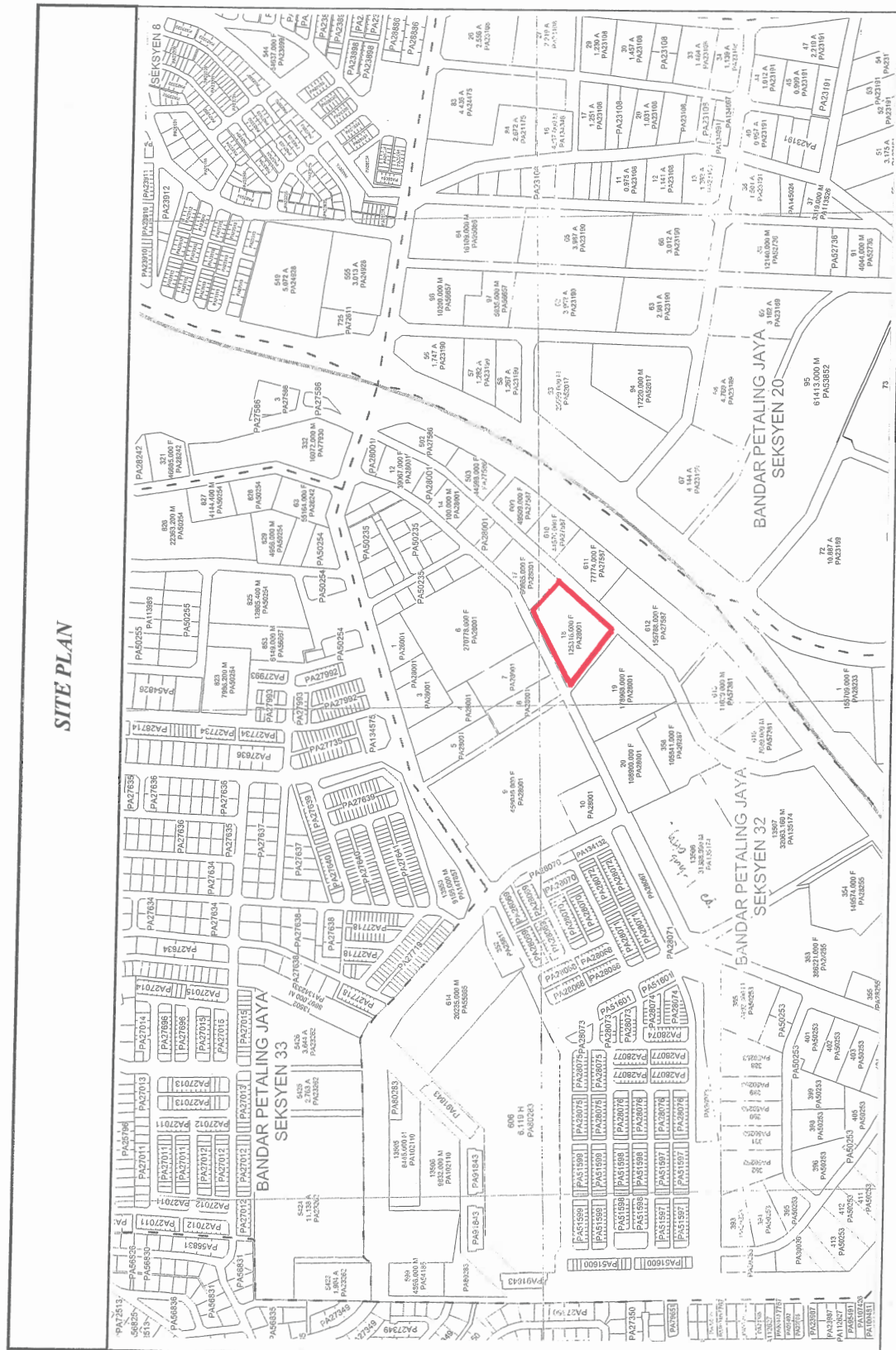
APPENDIX C – ASSET VALUATION SUMMARY LETTERS



The office building is about 7 years old whilst the factory building is more than 27 years old and observed to be in a good state of decorative repair.

The site plan, certified plan, building plan(s), satellite image and photographs of the subject property taken at the date of our inspection are attached overleaf.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



APPENDIX C – ASSET VALUATION SUMMARY LETTERS



5.0 Services

- Public services : Mains water, electricity supply and telephone lines are connected to the subject property. Other usual services such as refuse collection, street lighting, maintenance of streets and drains & etc are provided by the Majlis Bandaraya Petaling Jaya.
- Public transportation : Bus and taxi services are available along the main road.
- Assessment : The subject property is presently assessed to local rates levied by Majlis Bandaraya Petaling Jaya and the assessment payable is RM87,785.28 per annum. A copy of the assessment notice is shown in the Appendix attached to this report.

6.0 Occupancy Status

As per our site inspection and photocopies of the relevant pages of the Tenancy Agreements provided to us by our client, we noted that the subject property is currently tenanted to the following tenants:-

Level (Floor)	Net Lettable Area [Square Feet (sf)]	Tenant	Monthly Rental (RM)	Tenancy Term
Warehouse	55,800 sf (with compound)	Ingram Micro Malaysia Sdn Bhd	99,223.56	2 years from 1 January 2016 to 31 December 2018 with an option to renew for another 2 years
Ground floor (right wing) (partial)	4,295 sf	Ingram Micro Malaysia Sdn Bhd	18,039.00	2 years from 1 January 2016 to 31 December 2018 with an option to renew for another 2

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



				years
Ground Floor (Left wing) (partial)	2,228.00 sf (with compound)	Pok Brothers Sdn Bhd	9,357.6 plus 6% GST	2 years from 1 January 2016 to 31 December 2018 with an option to renew for another 2 years
Unit G-3, Ground Floor	1,813.50 sf	San Francisco Coffee Sdn Bhd	Base Rent (a discounted rent charged by the landlord as the café will be an amenity for the tenants of the office building) of RM3,000.00 per month plus GST OR 7% against Gross Sales Turnover less Staff/Group Discount calculated on a monthly basis plus GST, whichever shall be higher	2 years from 1 June 2017 to 31 May 2019 with an option to renew for another 2 years
Level 1 (partial)	4,779.00 sf and its common area	San Francisco Coffee Sdn Bhd	18,160.20 plus 6% GST	2 years from 1 November 2016 to 31 October 2018 with an option to renew for another 2 years
Level 1 (partial)	3,478.00 sf and its common area	The Delicious Group Sdn Bhd	13,216.40 plus 6% GST	2 years from 1 March 2017 to 8 February 2019 with an option to renew for another 2 years

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



Level 2	8,549.00 sf	Unoccupied	-	-
Level 3	9,365.00 sf and its compound	Texas Chicken (Malaysia) Sdn Bhd	35,587.00 plus 6% GST	3 years from 21 December 2015 to 20 December 2018 with an option to renew for another 2 years
Level 4 (partial)	955.00 sf	Envictus IT Services Sdn Bhd	3,629.00 plus 6% GST	2 years from 1 November 2016 to 31 October 2018 with an option to renew for another 2 years
Level 4 (partial) & Level 5 (partial)	A part of Level 4 (with a net area of 1,758.6 sf) and a part of Level 5 (with a net area of 1,396.34 sf) measuring a total net area of approximately 3,154.94 sf. Lettable area shall include an additional 20% comprising utilization of common area and parking bay allocated at landlord's discretion and thereby giving a total gross lettable area of 3,785.93 sf	Lasseter Management (M) Sdn Bhd	14,386.53 plus 6% GST	2 years from 1 November 2016 to 31 October 2018 with an option to renew for another 2 years

Photocopies of the relevant pages of the above Tenancies are attached herewith as Appendix.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



We noted that the subject property has been issued with a Certificate of Fitness For Occupation (CFO) on 6 August 2010. A photocopy of the aforesaid certificate is shown in the Appendix attached to this report.

7.0 Particulars Of Title

The title particulars of the subject property as per enquiries at the relevant Land Office on 6 December 2017 (a copy of which is shown in the attached Appendix), which are deemed to be correct for valuation purposes, are as follows:-

Lot No.	:	PT 11, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan
Title No.	:	HS(D) 174593
Locality	:	Road 225
Category of Land Use	:	Perusahaan
Tenure	:	Leasehold interest for a term of 99 years expiring on 26 May 2067
Land Area	:	11,480.582 square metres (123,580 square feet) *
Annual Rent	:	RM28,243.00
Registered Proprietor(s)	:	Eureka Capital Sdn Bhd
Date of Registration	:	23 July 2002
Express Condition	:	Perusahaan
Restriction in Interest	:	Not stated

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



Encumbrances	:	Charged twice to HSBC Amanah Malaysia Berhad, registered on 22 October 2015 and 18 August 2016
Endorsements	:	Nombor Perserahan : 140632/2010 Pajakan Sebahagian Tanah kepada Tenaga Nasional Berhad seluas 40.89 meter persegi bagi tempoh masa selama 30 tahun, mulai dari 16 Jun 2010 dan berakhir pada 15 Jun 2040, didaftarkan pada 28 Disember 2010. Suratkuasa Wakil : 953/2009 Jil 2 Fol 82, Surat Kebenaran : 45980/2010

Note:

The above title check was conducted to establish title particulars relevant to valuation only. As such, the above information furnished should not be used for other purposes.

* As per Certified Plan No. 28001 obtained from Jabatan Ukur Dan Pemetaan Malaysia (JUPEM), we noted that a final survey has been conducted and the subject property has been allotted with a new Lot No. 18 with a surveyed land area of 125,316 square feet or 11,642.24 square metres which is assumed to be correct and adopted in our valuation.



8.0 Planning Details

The subject property is designated for industrial use.

9.0 Basis Of Valuation

This valuation is carried out for Corporate Management purposes, therefore, we provide the **Market Value**.

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.

10.0 Method Of Valuation And Transaction Data

In arriving at our opinion of value of the subject property, we have adopted the Comparison Method of valuation. This method entails analysis of sales and listings of similar properties in the locality and the value of the property is arrived at by comparison after making adjustments for differences in location, size, neighbourhood and other relevant factors.

We have also cross-checked by the Investment Method of valuation. This method is concerned with the present worth of the future benefits that a property is capable to generate. The process involves the capitalization of the net annual proceeds that can reasonably be expected from ownership of the property by discounting at a rate of return (yield) comparable to that of similar investments.

Amongst the sale evidences noted are:-

- i) Lot 20, Jalan 223, Section 51A, Petaling Jaya, Selangor Darul Ehsan (HS(D) 316689, PT 129, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan), an industrial premises comprising a 5-storey detached office/factory building having a land area of 58,717 square feet was transacted on 13 March 2017 for RM29,245,283/-.
- ii) No. 50, Kompleks Penchala, Jalan Penchala, Section 51, Petaling Jaya, Selangor Darul Ehsan (PN 9425, Lot 27, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan), an industrial premises comprising a 4-storey office building cum warehouse complex having a land area of 96,649 square feet was transacted on 24 October 2016 for RM40,000,000/-.
- iii) Nos. 22 & 24, Jalan 225, Section 51A, Petaling Jaya, Selangor Darul Ehsan (PN 6634 & 6641, Lot 402 & 403 respectively, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan), an industrial premises comprising a single storey detached factory with an annexed double storey building having a total land area of 86,504 square feet was transacted on 21 June 2016 for RM30,188,679/-.



- iv) No. 7, Jalan 219, Section 51A, Petaling Jaya, Selangor Darul Ehsan (HS(D) 160607, PT 7, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan), an industrial premises comprising a single storey detached factory with an annexed double storey building (showroom cum office) and an ancillary building having a land area of 43,562 square feet was transacted on 22 January 2016 for RM18,000,000/-.

(Source : Jabatan Penilaian Dan Perkhidmatan Harta)

11.0 Valuation

Having regard to all the relevant information, our opinion of values of the subject property, HS(D) 174593, PT 11, Bandar Petaling Jaya, District of Petaling, Selangor Darul Ehsan, as at the date of valuation, is RM41,500,000/- (Ringgit Malaysia : Forty One Million and Five Hundred Thousand Only)

JS VALUERS PROPERTY CONSULTANTS SDN BHD

**TEE CHIN AN, MRISM
REGISTERED VALUER, V-454**

Appendices:-

- Certificate of Fitness for Occupation (CFO)
- Tenancy Agreements
- Document of Title
- Asssesment bill

LIMITING CONDITIONS

1. This valuation report is confidential to the client for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the Client in respect of that purpose, but the Client shall not disclose the report to any other person.
2. The opinion of value expressed in this report applies strictly upon the terms of and for the purpose of this report only. The Valuer is therefore not responsible for it if quoted out of context.
3. Neither the whole or any part of this valuation report/valuation certificate or any reference thereto may be included in any published document, circular or statement nor published in any way without the Valuer's written approval of the form and context in which it may appear.
4. Where it is stated in the valuation report that information or data has been made known to the Valuer by another party, this information or data is believed to be reliable and he disclaims all responsibility if this should later prove to be otherwise.
5. Though the property was inspected, we are not able to state that the crops are free of vermin or soil diseases. We have not carried out a chemical analysis of the soil nor other investigations to ascertain the soil suitability for the present or other cultivation. Therefore, we are not able to accept any responsibility with regard to latent infestation, and defects of the soil and any disease which affect crops.
6. While due care is taken to note building defects in the course of inspection, no structural survey is made nor any inspection of woodwork or other parts of the structure which are covered or inaccessible and we are therefore unable to report that such parts of the property are free of hidden defects or concealed infestation.
7. While we have inspected the title of the property as recorded by the Land Registry/Office, we cannot accept any responsibility for its legal validity or for any liabilities against the property which were unrecorded at the time of our inspection.
8. Any plans, drawings, sketches and photographs included in this valuation report are intended for identification purposes only and should not be treated as certified copies of areas, plans or boundaries.
9. The instruction and the valuation assignment does not automatically bind the Valuer to attendance in court or to appear in enquiry before any government or statutory bodies in connection with the valuation. Prior arrangement and agreement shall be made between the client and the Valuer if such attendance or appearance is required.
10. This valuation report is carried out in accordance with the Guidelines and Manual Of Valuation Standards published by the Board of Valuers, Appraisers And Estate Agents and further subject to local established law, custom, practice and market condition.

Where applicable, we have also made reference to other established valuation manuals and standards such as International Valuation Standards Committee (ISVC) and the Royal Institute Of Chartered Surveyors (RICS) Appraisal And Valuation Manual.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



KUMPULAN JURUNILAI SDN BHD

THE PROPERTY VALUERS

REGISTERED VALUERS ◊ PROPERTY MANAGERS ◊ PROPERTY CONSULTANTS ◊ ESTATE AGENTS

(136578 M)



VE (1) 0057

15B, Second Floor, Jalan Pandan 3/5,
Pandan Jaya, 55100 Kuala Lumpur.

Tel: 03-92832033 / 92832233 Fax: 03-92838793 E-mail: kjsb1985@yahoo.com

Our Ref : KJ/DV-Envitus/OIP/2017-410/YS/Mrj

Your Ref :

Date : December 5, 2017

16 Rabiul Awal 1439H

Messrs Envictus International Holdings Limited
The Envictus, Level 5,
No. 11, Jalan 225,
46100 Petaling Jaya,
Selangor

Attn : Mr Khor Sin Kok

Dear Sirs

**RE : Indicative Value for Lot No. PT 4968, Title No. HSD 72221,
Mukim of Rasah, District of Seremban, State of Negeri Sembilan.
(Lot 17225, Jalan Haruan 6, Oakland Industrial Park, 70200 Seremban,
Negeri Sembilan)**

Pursuant to your instruction to assess the Market Value of the abovementioned property, we have accordingly inspected the property on **Thursday, October 26, 2017**.

The subject property is a freehold interest with a land area of **6,021 sq metres (64,809 sq ft)** and erected upon with a **factory** building having a main floor area of approximately **2,962 sq metres (31,884 sq ft)** and an ancillary floor area of about **1,891 sq metres (20,360 sq ft)**.

In accordance with our terms of reference and subject to our standard limiting conditions, we are of the opinion that the Market Value of the above property subject to the title being good, marketable, registrable, free from legal encumbrances and with vacant possession is **RM7,000,000.00**.

This is just for indicative value and should not be used for litigation purpose.

Yours faithfully

KUMPULAN JURUNILAI SDN BHD

Sr YUSAIMI BIN SHAMSUDIN

BSc (Hons) Estate Management (UiTM)
MRISM, Registered Valuer (V1032/E2509)
YS/Mrj

Appendix A – Location Plan
Appendix B – Site Plan
Appendices C1 & C2 – Photographs

Our Other Offices:

- 1st Floor, Office Lot 23/1, Jalan Tiara 3, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan. Tel: 03-33424660 Fax: 03-33434770 E-mail: kjsbklang@gmail.com
 - B-1-3, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan. Tel: 05-2553550 Fax: 05-2554660 E-mail: kjperak@streamyx.com
-

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



KUMPULAN JURUNILAI SDN BHD

(136578 M)

THE PROPERTY VALUERS

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VE (1) 0057

15B, Second Floor, Jalan Pandan 3/5,
Pandan Jaya, 55100 Kuala Lumpur.
Tel: 03-92832033 / 92832233 Fax: 03-92838793 E-mail: kjsb1985@yahoo.com

Our Ref : KJ/DV-Envitus/OIP/2017-411/YS/Mrj

Your Ref :

Date : December 5, 2017

16 Rabiul Awal 1439H

Messrs Envictus International Holdings Limited
The Envictus, Level 5,
No. 11, Jalan 225,
46100 Petaling Jaya,
Selangor

Attn : Mr Khor Sin Kok

Dear Sirs

**RE : Indicative Value for Lot No. PT 4974, Title No. HSD 72227,
Mukim of Rasah, District of Seremban, State of Negeri Sembilan.
(Lot 4974, Jalan Haruan 8, Oakland Industrial Park, 70200 Seremban,
Negeri Sembilan)**

Pursuant to your instruction to assess the Market Value of the abovementioned property, we have accordingly inspected the property on **Thursday, October 26, 2017**.

The subject property is a freehold interest with a land area of **4,956 sq metres (53,346 sq ft)** and erected upon with a **factory building** having a main floor area of approximately **3,622 sq metres (38,992 sq ft)** and an ancillary floor area of about **850 sq metres (9,150 sq ft)**.

In accordance with our terms of reference and subject to our standard limiting conditions, we are of the opinion that the Market Value of the above property subject to the title being good, marketable, registrable, free from legal encumbrances and with vacant possession is **RM6,500,000.00**.

This is just for indicative value and should not be used for litigation purpose.

Yours faithfully

KUMPULAN JURUNILAI SDN BHD

Sr YUSAIMI BIN SHAMSUDIN

BSc (Hons) Estate Management (UiTM)
MRISM, Registered Valuer (V1032/E2509)
YS/Mrj

Appendix A – Location Plan
Appendix B – Site Plan
Appendices C1 & C2 – Photographs

Our Other Offices:

- 1st Floor, Office Lot 23/1, Jalan Tiara 3, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan. Tel: 03-33424660 Fax: 03-33434770 E-mail: kjsbklang@gmail.com
- B-1-3, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan. Tel: 05-2553550 Fax: 05-2554660 E-mail: kjperak@streamyx.com

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



KUMPULAN JURUNILAI SDN BHD (136578 M)

THE PROPERTY VALUERS

REGISTERED VALUERS ◦ PROPERTY MANAGERS ◦ PROPERTY CONSULTANTS ◦ ESTATE AGENTS



VE (1) 0057

15B, Second Floor, Jalan Pandan 3/5,
Pandan Jaya, 55100 Kuala Lumpur.
Tel: 03-92832033 / 92832233 Fax: 03-92838793 E-mail: kjsb1985@yahoo.com

Our Ref : KJ/DV-Envitus/OIP/2017-411&412/YS/Mrj

Your Ref :

Date : December 26, 2017

7 Rabiul Akhir 1439H

Messrs Envictus International Holdings Limited
The Envictus, Level 5,
No. 11, Jalan 225,
46100 Petaling Jaya,
Selangor

Attn : Mr Khor Sin Kok

Dear Sirs

RE : Method of valuation for Lot 4974, Jalan Haruan 8, Oakland Industrial Park, 70200 Seremban, Negeri Sembilan and Lot 17225, Jalan Haruan 6, Oakland Industrial Park, 70200 Seremban, Negeri Sembilan

Pursuant to your instruction to assess the Market Value of the abovementioned property, we noted that method of valuation for both properties to be adopted in the valuation of the subject properties would be the Comparison Method. The method is based on the concept that a prospective seller will expect his property to fetch the same price as that paid for similar properties in the locality. It entails the analysis and comparison of recent sales of comparable or similar properties in the area and making due allowances for all dissimilarities.

Yours faithfully

KUMPULAN JURUNILAI SDN BHD

Sr YUSAIMI BIN SHAMSUDIN
BSc (Hons) Estate Management (UiTM)
MRISM, Registered Valuer (V1032/E2509)
YS/Mrj

Our Other Offices:

- 1st Floor, Office Lot 23/1, Jalan Tiara 3, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan. Tel: 03-33424660 Fax: 03-33434770 E-mail: kjsbklang@gmail.com
 - B-1-3, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan. Tel: 05-2553550 Fax: 05-2554660 E-mail: kjipoh@yahoo.com
-

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



KUMPULAN JURUNILAI SDN BHD (136578 M)

THE PROPERTY VALUERS

REGISTERED VALUERS • PROPERTY MANAGERS • PROPERTY CONSULTANTS • ESTATE AGENTS



VE (1) 0057

15B, Second Floor, Jalan Pandan 3/5,
Pandan Jaya, 55100 Kuala Lumpur.

Tel: 03-92832033 / 92832233 Fax: 03-92838793 E-mail: kjsb1985@yahoo.com

Our Ref : KJ/DV-Envitus/HHPI/2017-412/YS/Mrj

Your Ref :

Date : December 26, 2017

7 Rabiul Akhir 1439H

Messrs Envictus International Holdings Limited
The Envictus, Level 5,
No. 11, Jalan 225,
46100 Petaling Jaya,
Selangor

Attn : Mr Khor Sin Kok

Dear Sirs

**RE : Method of valuation for Lot No. PT 129325 Title No. HSD 135842,
PT 129327 Title No. HSD 135843, PT 129328 Title No. HSD 135844,
PT 129329 Title No. HSD 135845, PT 129330 Title No. HSD 135846,
PT 129334 Title No. HSD 135849, PT 129335 Title No. HSD 135850,
PT 129336 Title No. HSD 135851, all in Mukim and District of Klang, State
of Selangor**

Pursuant to your instruction to assess the Market Value of the abovementioned property, we noted that method of valuation for all properties to be adopted in the valuation of the subject properties would be the Comparison Method. The method is based on the concept that a prospective seller will expect his property to fetch the same price as that paid for similar properties in the locality. It entails the analysis and comparison of recent sales of comparable or similar properties in the area and making due allowances for all dissimilarities.

Yours faithfully

KUMPULAN JURUNILAI SDN BHD

Sr YUSAIMI BIN SHAMSUDIN

BSc (Hons) Estate Management (UiTM)

MRISM, Registered Valuer (V1032/E2509)

YS/Mrj

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APPENDIX C – ASSET VALUATION SUMMARY LETTERS



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Pandan Jaya, 55100 Kuala Lumpur.

Tel: 03-92832033 / 92832233 Fax: 03-92838793 E-mail: kjsb1985@yahoo.com

Our Ref : KJ/DV-Envitus/HHPI/2017-412/YS/Mrj

Your Ref :

Date : December 5, 2017

16 Rabiul Awal 1439H

Messrs Envictus International Holdings Limited
The Envictus, Level 5,
No. 11, Jalan 225,
46100 Petaling Jaya,
Selangor

Attn : Mr Khor Sin Kok

Dear Sirs

**RE : Indicative Value for Lot No. PT 129325, Title No. HSD 135842,
Mukim and District of Klang, State of Selangor**

Pursuant to your instruction to assess the Market Value of the abovementioned property, we have accordingly inspected the property on **Monday, December 4, 2017**.

The subject property is a **vacant industrial land with leasehold interest** and has a land area of **15,882.63 sq metres (170,959 sq ft)**.

In accordance with our terms of reference and subject to our standard limiting conditions, we are of the opinion that the Market Value of the above property subject to the title being good, marketable, registrable, free from legal encumbrances and with vacant possession is **RM9,915,624.00**

This is just for indicative value and should not be used for litigation purpose.

Yours faithfully

KUMPULAN JURUNILAI SDN BHD

Sr YUSAIMI BIN SHAMSUDIN
BSc (Hons) Estate Management (UiTM)
MRISM, Registered Valuer (V1032/E2509)
YS/Mrj

Appendix A – Location Plan
Appendix B – Site Plan
Appendices C1 & C2 – Photographs

Our Other Offices:

- 1st Floor, Office Lot 23/1, Jalan Tiara 3, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan. Tel: 03-33424660 Fax: 03-33434770 E-mail: kjsbklang@gmail.com
 - B-1-3, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan. Tel: 05-2553550 Fax: 05-2554660 E-mail: kjipoh@yahoo.com
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APPENDIX C – ASSET VALUATION SUMMARY LETTERS



KUMPULAN JURUNILAI SDN BHD (136578 M)

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Pandan Jaya, 55100 Kuala Lumpur.

Tel: 03-92832033 / 92832233 Fax: 03-92838793 E-mail: kjsb1985@yahoo.com

Our Ref : KJ/DV-Envitus/HHPI/2017-413/YS/Mrj

Your Ref :

Date : December 5, 2017

16 Rabiul Awal 1439H

Messrs Envictus International Holdings Limited
The Envictus, Level 5,
No. 11, Jalan 225,
46100 Petaling Jaya,
Selangor

Attn : Mr Khor Sin Kok

Dear Sirs

**RE : Indicative Value for Lot No. PT 129327, Title No. HSD 135843,
Mukim and District of Klang, State of Selangor**

Pursuant to your instruction to assess the Market Value of the abovementioned property, we have accordingly inspected the property on **Monday, December 4, 2017**.

The subject property is a **vacant industrial land with leasehold interest** and has a land area of **17,593.24 sq metres (189,372 sq ft)**.

In accordance with our terms of reference and subject to our standard limiting conditions, we are of the opinion that the Market Value of the above property subject to the title being good, marketable, registrable, free from legal encumbrances and with vacant possession is **RM10,983,569.00**

This is just for indicative value and should not be used for litigation purpose.

Yours faithfully

KUMPULAN JURUNILAI SDN BHD

Sr YUSAIMI BIN SHAMSUDIN

BSc (Hons) Estate Management (UiTM)
MRISM, Registered Valuer (V1032/E2509)
YS/Mrj

Appendix A – Location Plan
Appendix B – Site Plan
Appendices C1 & C2 – Photographs

Our Other Offices:

- 1st Floor, Office Lot 23/1, Jalan Tiara 3, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan. Tel: 03-33424660 Fax: 03-33434770 E-mail: kjsbklang@gmail.com
 - B-1-3, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan. Tel: 05-2553550 Fax: 05-2554660 E-mail: kjipoh@yahoo.com
-

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



KUMPULAN JURUNILAI SDN BHD (136578 M)

THE PROPERTY VALUERS

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VE (1) 0057

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Pandan Jaya, 55100 Kuala Lumpur.
Tel: 03-92832033 / 92832233 Fax: 03-92838793 E-mail: kjsb1985@yahoo.com

Our Ref : KJ/DV-Envitus/HHPI/2017-414/YS/Mrj

Your Ref :

Date : December 5, 2017

16 Rabiul Awal 1439H

Messrs Envictus International Holdings Limited
The Envictus, Level 5,
No. 11, Jalan 225,
46100 Petaling Jaya,
Selangor

Attn : Mr Khor Sin Kok

Dear Sirs

**RE : Indicative Value for Lot No. PT 129328, Title No. HSD 135844,
Mukim and District of Klang, State of Selangor**

Pursuant to your instruction to assess the Market Value of the abovementioned property, we have accordingly inspected the property on **Monday, December 4, 2017**.

The subject property is a **vacant industrial land** with **leasehold interest** and has a land area of **20,733.34 sq metres (223,172 sq ft)**.

In accordance with our terms of reference and subject to our standard limiting conditions, we are of the opinion that the Market Value of the above property subject to the title being good, marketable, registrable, free from legal encumbrances and with vacant possession is **RM12,943,953.00**

This is just for indicative value and should not be used for litigation purpose.

Yours faithfully

KUMPULAN JURUNILAI SDN BHD


Sr YUSAIMI BIN SHAMSUDIN
BSc (Hons) Estate Management (UiTM)
MRISM, Registered Valuer (V1032/E2509)
YS/Mrj

Appendix A – Location Plan
Appendix B – Site Plan
Appendices C1 & C2 – Photographs

Our Other Offices:

- 1st Floor, Office Lot 23/1, Jalan Tiara 3, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan. Tel: 03-33424660 Fax: 03-33434770 E-mail: kjsbklang@gmail.com
 - B-1-3, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan. Tel: 05-2553550 Fax: 05-2554660 E-mail: kjipoh@yahoo.com
-

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



KUMPULAN JURUNILAI SDN BHD (136578 M)

THE PROPERTY VALUERS

REGISTERED VALUERS ◦ PROPERTY MANAGERS ◦ PROPERTY CONSULTANTS ◦ ESTATE AGENTS



VE (1) 0057

15B, Second Floor, Jalan Pandan 3/5,
Pandan Jaya, 55100 Kuala Lumpur.
Tel: 03-92832033 / 92832233 Fax: 03-92838793 E-mail: kjsb1985@yahoo.com

Our Ref : KJ/DV-Envitus/HHPI/2017-415/YS/Mrj

Your Ref :

Date : December 5, 2017

16 Rabiul Awal 1439H

Messrs Envictus International Holdings Limited
The Envictus, Level 5,
No. 11, Jalan 225,
46100 Petaling Jaya,
Selangor

Attn : Mr Khor Sin Kok

Dear Sirs

**RE : Indicative Value for Lot No. PT 129329, Title No. HSD 135845,
Mukim and District of Klang, State of Selangor**

Pursuant to your instruction to assess the Market Value of the abovementioned property, we have accordingly inspected the property on **Monday, December 4, 2017**.

The subject property is a **vacant industrial land with leasehold interest** and has a land area of **18,783.22 sq metres (202,181 sq ft)**.

In accordance with our terms of reference and subject to our standard limiting conditions, we are of the opinion that the Market Value of the above property subject to the title being good, marketable, registrable, free from legal encumbrances and with vacant possession is **RM11,726,481.00**.

This is just for indicative value and should not be used for litigation purpose.

Yours faithfully
KUMPULAN JURUNILAI SDN BHD


Sr YUSAIMI BIN SHAMSUDIN
BSc (Hons) Estate Management (UiTM)
MRISM, Registered Valuer (V1032/E2509)
YS/Mrj

Appendix A – Location Plan
Appendix B – Site Plan
Appendices C1 & C2 – Photographs

Our Other Offices:

- 1st Floor, Office Lot 23/1, Jalan Tiara 3, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan. Tel: 03-33424660 Fax: 03-33434770 E-mail: kjsbklang@gmail.com
 - B-1-3, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan. Tel: 05-2553550 Fax: 05-2554660 E-mail: kjipoh@yahoo.com
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APPENDIX C – ASSET VALUATION SUMMARY LETTERS



KUMPULAN JURUNILAI SDN BHD (136578 M)

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VE (1) 0057

15B, Second Floor, Jalan Pandan 3/5,
Pandan Jaya, 55100 Kuala Lumpur.

Tel: 03-92832033 / 92832233 Fax: 03-92838793 E-mail: kjsb1985@yahoo.com

Our Ref : KJ/DV-Envitus/HHPI/2017-416/YS/Mrj

Your Ref :

Date : December 5, 2017

16 Rabiul Awal 1439H

Messrs Envictus International Holdings Limited
The Envictus, Level 5,
No. 11, Jalan 225,
46100 Petaling Jaya,
Selangor

Attn : Mr Khor Sin Kok

Dear Sirs

**RE : Indicative Value for Lot No. PT 129330, Title No. HSD 135846,
Mukim and District of Klang, State of Selangor**

Pursuant to your instruction to assess the Market Value of the abovementioned property, we have accordingly inspected the property on **Monday, December 4, 2017**.

The subject property is a **vacant industrial land** with **leasehold interest** and has a land area of **19,891.21 sq metres (214,107 sq ft)**.

In accordance with our terms of reference and subject to our standard limiting conditions, we are of the opinion that the Market Value of the above property subject to the title being good, marketable, registrable, free from legal encumbrances and with vacant possession is **RM12,418,206.00**.

This is just for indicative value and should not be used for litigation purpose.

Yours faithfully

KUMPULAN JURUNILAI SDN BHD

Sr YUSAIMI BIN SHAMSUDIN

BSc (Hons) Estate Management (UiTM)
MRISM, Registered Valuer (V1032/E2509)
YS/Mrj

Appendix A – Location Plan
Appendix B – Site Plan
Appendices C1 & C2 – Photographs

Our Other Offices:

- 1st Floor, Office Lot 23/1, Jalan Tiara 3, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan. Tel: 03-33424660 Fax: 03-33434770 E-mail: kjsbklang@gmail.com
 - B-1-3, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan. Tel: 05-2553550 Fax: 05-2554660 E-mail: kjipoh@yahoo.com
-

APPENDIX C – ASSET VALUATION SUMMARY LETTERS



KUMPULAN JURUNILAI SDN BHD (136578 M)

THE PROPERTY VALUERS

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VE (1) 0057

15B, Second Floor, Jalan Pandan 3/5,
Pandan Jaya, 55100 Kuala Lumpur.

Tel: 03-92832033 / 92832233 Fax: 03-92838793 E-mail: kjsb1985@yahoo.com

Our Ref : KJ/DV-Envitus/HHPI/2017-417/YS/Mrj

Your Ref :

Date : December 5, 2017

16 Rabiul Awal 1439H

Messrs Envictus International Holdings Limited
The Envictus, Level 5,
No. 11, Jalan 225,
46100 Petaling Jaya,
Selangor

Attn : Mr Khor Sin Kok

Dear Sirs

**RE : Indicative Value for Lot No. PT 129334, Title No. HSD 135849,
Mukim and District of Klang, State of Selangor**

Pursuant to your instruction to assess the Market Value of the abovementioned property, we have accordingly inspected the property on **Monday, December 4, 2017**.

The subject property is a **leasehold detached industrial land** erected upon with an individual designed factory and has a land area of **19,609.21 sq metres (211,072 sq ft)**. For the purpose of this valuation we have specifically instructed to value the land only.

In accordance with our terms of reference and subject to our standard limiting conditions, we are of the opinion that the Market Value of the above property subject to the title being good, marketable, registrable, free from legal encumbrances and with vacant possession is **RM12,242,151.00**.

This is just for indicative value and should not be used for litigation purpose.

Yours faithfully

KUMPULAN JURUNILAI SDN BHD


Sr YUSAIMI BIN SHAMSUDIN

BSc (Hons) Estate Management (UiTM)
MRISM, Registered Valuer (V1032/E2509)
YS/Mrj

Appendix A – Location Plan
Appendix B – Site Plan
Appendices C1 & C2 – Photographs

Our Other Offices:

- 1st Floor, Office Lot 23/1, Jalan Tiara 3, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan. Tel: 03-33424660 Fax: 03-33434770 E-mail: kjsbklang@gmail.com
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APPENDIX C – ASSET VALUATION SUMMARY LETTERS



KUMPULAN JURUNILAI SDN BHD (136578 M)

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Pandan Jaya, 55100 Kuala Lumpur.
Tel: 03-92832033 / 92832233 Fax: 03-92838793 E-mail: kjsb1985@yahoo.com

Our Ref : KJ/DV-Envitus/HHPI/2017-418/YS/Mrj

Your Ref :

Date : December 5, 2017

16 Rabiul Awal 1439H

Messrs Envictus International Holdings Limited
The Envictus, Level 5,
No. 11, Jalan 225,
46100 Petaling Jaya,
Selangor

Attn : Mr Khor Sin Kok

Dear Sirs

**RE : Indicative Value for Lot No. PT 129335, Title No. HSD 135850,
Mukim and District of Klang, State of Selangor**

Pursuant to your instruction to assess the Market Value of the abovementioned property, we have accordingly inspected the property on **Monday, December 4, 2017**.

The subject property is a **leasehold detached industrial land** erected upon with an individual designed factory and has a land area of **17,320.56 sq metres (186,437 sq ft)**. For the purpose of this valuation we have specifically instructed to value the land only.

In accordance with our terms of reference and subject to our standard limiting conditions, we are of the opinion that the Market Value of the above property subject to the title being good, marketable, registrable, free from legal encumbrances and with vacant possession is **RM10,813,333.00**

This is just for indicative value and should not be used for litigation purpose.

Yours faithfully

KUMPULAN JURUNILAI SDN BHD

Sr YUSAIMI BIN SHAMSUDIN

BSc (Hons) Estate Management (UiTM)
MRISM, Registered Valuer (V1032/E2509)
YS/Mrj

Appendix A – Location Plan
Appendix B – Site Plan
Appendices C1 & C2 – Photographs

Our Other Offices:

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 - B-1-3, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan. Tel: 05-2553550 Fax: 05-2554660 E-mail: kjipoh@yahoo.com
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APPENDIX C – ASSET VALUATION SUMMARY LETTERS



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Pandan Jaya, 55100 Kuala Lumpur.

Tel: 03-92832033 / 92832233 Fax: 03-92838793 E-mail: kjsb1985@yahoo.com

Our Ref : KJ/DV-Envitus/HHPI/2017-419/YS/Mrj

Your Ref :

Date : December 5, 2017

16 Rabiul Awal 1439H

Messrs Envictus International Holdings Limited
The Envictus, Level 5,
No. 11, Jalan 225,
46100 Petaling Jaya,
Selangor

Attn : Mr Khor Sin Kok

Dear Sirs

**RE : Indicative Value for Lot No. PT 129336, Title No. HSD 135851,
Mukim and District of Klang, State of Selangor**

Pursuant to your instruction to assess the Market Value of the abovementioned property, we have accordingly inspected the property on **Monday, December 4, 2017**.

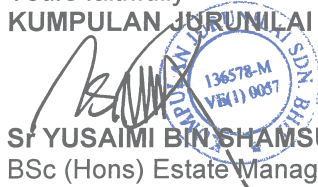
The subject property is a **leasehold detached industrial land** with semi-permanent building and has a land area of **14,263.31 sq metres (153,529 sq ft)**. For the purpose of this valuation we have specifically instructed to value the land only.

In accordance with our terms of reference and subject to our standard limiting conditions, we are of the opinion that the Market Value of the above property subject to the title being good, marketable, registrable, free from legal encumbrances and with vacant possession is **RM8,904,673.00**

This is just for indicative value and should not be used for litigation purpose.

Yours faithfully

KUMPULAN JURUNILAI SDN BHD


Sy YUSAIMI BIN SHAMSUDIN
BSc (Hons) Estate Management (UiTM)
MRISM, Registered Valuer (V1032/E2509)
YS/Mrj

Appendix A – Location Plan
Appendix B – Site Plan
Appendices C1 & C2 – Photographs

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 - B-1-3, Greentown Square, Jalan Dato' Seri Ahmad Said, 30450 Ipoh, Perak Darul Ridzuan. Tel: 05-2553550 Fax: 05-2554660 E-mail: kjipoh@yahoo.com
-

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A 1.5765-acre parcel of industrial land presently built-upon with the industrial premises of Pok Brothers Sdn. Bhd. within HICOM Glenmarie Industrial Park Shah Alam, Selangor Darul Ehsan [Held Under GRN 215220/Lot 61839 Bandar Glenmarie, District of Petaling Selangor Darul Ehsan]

6 December 2017



Executive Summary

Subject Property:	A 1.5765-acre parcel of industrial land presently built-upon with the industrial premises of Pok Brothers Sdn. Bhd. within HICOM Glenmarie Industrial Park, Shah Alam, Selangor Darul Ehsan.
Postal Address:	No. 2, Jalan Peguam U1/24, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan
Instructions:	Envictus International Holdings Limited
Purpose:	Internal Management
Interest Valued:	Freehold
Legal Description:	GRN 215220/Lot 61839, Bandar Glenmarie, District of Petaling, Selangor Darul Ehsan
Basis of Valuation:	Market Value of the freehold interest in the Subject Property i.e. <u>a 1.5765-acre parcel of industrial land presently built-upon with the industrial premises of Pok Brothers Sdn. Bhd. within HICOM Glenmarie Industrial Park, Shah Alam, Selangor Darul Ehsan</u> [held under GRN 215220/Lot 61839, Bandar Glenmarie, District of Petaling, Selangor Darul Ehsan] in its existing conditions, with vacant possession and subject to its title being free from encumbrances and registrable.
Registered Owner:	Pok Brothers Sdn. Bhd.
Title Land Area:	6,380 square metres (approx. 1.5765 acres)
Category of Land Use:	Perusahaan
Express Condition:	Industri
Restriction-in-interest:	Nil
Brief Description:	The Subject Property is located at a prominent corner position with dual frontages onto Jalan Peguam U1/25 and Jalan Hakim U1/24, within HICOM Glenmarie Industrial Park, Shah Alam, Selangor Darul Ehsan. It lies approximately 6 kilometres east of the Shah Alam City Centre and about 17 kilometres south-west of the Kuala Lumpur City Centre.
Gross Floor Area:	Approximately 51,900 square feet (excluding other supporting structures)
Last Sale:	None within the last 3 years.
Valuation Methodology:	Cost Approach of Valuation

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A 1.5765-acre parcel of industrial land presently built-upon with the industrial premises of Pok Brothers Sdn. Bhd. within HICOM Glenmarie Industrial Park Shah Alam, Selangor Darul Ehsan [Held Under GRN 215220/Lot 61839 Bandar Glenmarie, District of Petaling Selangor Darul Ehsan]

6 December 2017



Date of Inspection: 6 December 2017

Date of Valuation: 6 December 2017

Market Value: **RM19,600,000 (Ringgit Malaysia: Nineteen Million and Six Hundred Thousand Only)**

**Assumption,
Disclaimers,
Limitations &
Qualifications**

This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Limitations, Disclaimers & Qualifications section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A 0.244-acre parcel of First Grade Land (Zoned For Industrial)
Presently Built-Upon With A 4-Storey Office/Cold Storage Warehouse
[GRN 3871 / Lot 1237, Section 9W, City of George Town
District Of Timor Laut, Pulau Pinang]

12 December 2017



Executive Summary

Subject Property:	A 0.244-acre parcel of First Grade land (zoned for industrial) presently built-upon with a 4-storey office/cold storage warehouse
Address:	No. 139, Jalan Makloom, 10150 Pulau Pinang
Instructions:	Envictus International Holdings Limited
Purpose:	Internal Management
Interest Valued:	Freehold
Legal Description:	GRN 3871 / Lot 1237, Section 9W, City of George Town, District of Timor Laut, Pulau Pinang
Basis of Valuation:	<u>Market Value of the freehold interest in the Subject Property i.e. a 0.244-acre parcel of First Grade land (zoned for industrial) presently built-upon with a 4-storey office/cold storage warehouse [held under GRN 3871 / Lot 1237, Section 9W, City of George Town, District of Timor Laut, Pulau Pinang] in its existing condition, with vacant possession and subject to its title being free from encumbrances and registrable.</u>
Registered Owner:	Pok Brothers Sdn. Bhd.
Titled Land Area:	985.9477 square metres (approx. 0.244 acre or 10,613 square feet)
Category of Land Use:	Nil
Express Conditions:	(FIRST GRADE) The Land comprised in this title : (a) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on creation of a Land Administrator's right of way ; and (b) subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years, shall revert to the State only if proprietor for the time being dies without heirs; and the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposits and remove it beyond the boundaries of the land).
Restriction-in-interest:	Nil

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A 0.244-acre parcel of First Grade Land (Zoned For Industrial)
Presently Built-Upon With A 4-Storey Office/Cold Storage Warehouse
[GRN 3871 / Lot 1237, Section 9W, City of George Town
District Of Timor Laut, Pulau Pinang]

12 December 2017



Brief Description:	The Subject Property fronts onto Jalan Makloom, within George Town, Pulau Pinang. It lies approximately 3 kilometres to the south-west of the City Centre of George Town. Sungai Pinang is an established industrial cum commercial precinct within George Town, Pulau Pinang. Generally, Sungai Pinang consists of residential settlements, detached factories of individually-designed, warehouses, car workshops, auto showrooms & service centres, medium & high-rise commercial buildings, single to 3-storey terraced houses, semi-detached houses, detached houses, 2- to 4-storey shophouses/shopoffices as well as flats, apartments and condominiums.
Gross Floor Area:	Approximately 21,000 square feet (excluding the guard house)
Last Sale:	None within the last 3 years.
Valuation Methodology:	Cost Approach of Valuation
Date of Inspection:	12 December 2017
Date of Valuation:	12 December 2017
Market Value:	RM6,200,000 (Ringgit Malaysia: Six Million And Two Hundred Thousand Only)
Assumption, Disclaimers, Limitations & Qualifications	<i>This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.</i>

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A 2-storey intermediate terraced shophouse
No. 49, Off Jalan Wong Ah Jang
25100 Kuantan
Pahang Darul Makmur
12 December 2017



PROPERTY DETAILS

Property Type	:	A 2-storey intermediate terraced shophouse
Tenure	:	Freehold
Location and Neighbourhood	:	The Subject Property fronts onto Jalan Wong Ah Jang 1, within Kuantan, Pahang Darul Makmur. Geographically, the Subject Property is sited off the south-eastern side of Jalan Wong Ah Jang and lies approximately a kilometre to the west of Kuantan town centre. Properties within the immediate vicinity include 2 to 4-storey terraced shopoffices/houses, terraced houses, semi-detached houses, shopping malls, office buildings and hotels. Neighbouring residential/commercial areas include Taman Jade, Taman Raya, Taman Mahsuri, Taman Yau and Taman Lion. The Subject Property is accessible from the Kuantan town centre via Jalan Bukit Ubi, Jalan Wong Ah Jang and finally onto Jalan Wong Ah Jang 1. For easy identification, the Subject Property is marked red in the Location and Site Plans attached herewith as Annexures 'A' and 'B' respectively.
Titular Land Area	:	144.924 square metres (1,560 square feet)
Site Description	:	The Subject Site is rectangular in shape. It has a direct frontage onto Jalan Wong Ah Jang 1. The rear boundary of the site abuts onto a metalled back lane. The land is generally flat in terrain and lies about the same level with the frontage road. It is fully built upon with the shophouse thereon.
Type of Construction	:	Reinforced concrete floors, reinforced concrete framework infilled with plastered brickwalls and covered with a pitched roof.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A 2-storey intermediate terraced shophouse
No. 49, Off Jalan Wong Ah Jang
25100 Kuantan
Pahang Darul Makmur
12 December 2017



PROPERTY DETAILS

Floor Finishes : The floor finishes within the Subject Property comprise the followings:-

- Cement render
- Ceramic tiles
- Mosaic tiles

Accommodation : Please refer to the Floor Plans attached as Annexure 'C'.

Selected **Photographs** of the Subject Property are attached as Annexure 'D'.

Built-up Area	Main Floor Area	:	2,832 square feet	(263.10 square metres)
	Ancillary Floor Area	:	144 square feet	(13.40 square metres)
	Total	:	<u>2,976 square feet</u>	<u>(276.50 square metres)</u>

State Of Decorative Repair : Good

Occupancy Status : Owner-occupied

Services : Mains water, electricity supply and telecommunication facilities are connected to the Subject Property. Sanitary facilities are modern and waterborne. The Majlis Perbandaran Kuantan (MPK) provides the usual public services to the area which is under its jurisdiction and administration.

Public transportation in the form of buses and taxis is available in the vicinity.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A 2-storey intermediate terraced shophouse
No. 49, Off Jalan Wong Ah Jang
25100 Kuantan
Pahang Darul Makmur
12 December 2017



TITLE DETAILS

Brief particulars of title extracted from a search of registered document of title at the Kuantan District Land Office in Kuantan on 12 December 2017 are as follows:-

Title No.	:	GM 3024
Lot No.	:	Lot 6537
Locality	:	Bandar Kuantan
Mukim	:	Kuala Kuantan
District	:	Kuantan
State	:	Pahang Darul Makmur
Tenure	:	Freehold
Titular Land Area	:	144.924 square metres (1,560 square feet)
Annual Rent	:	RM450.00
Category of Land Use	:	Bangunan
Express Condition	:	Tanah ini hendaklah digunakan untuk bangunan perniagaan sahaja.
Restriction-In-Interest	:	Nil
Registered Owner	:	Pok Brothers Sdn Bhd
Encumbrances	:	Nil
Endorsements	:	Nil

Notes:

- 1) The Client is further advised to appoint their Solicitors to investigate the history of the land title(s). We have assumed that the title particulars as extracted from the relevant land authorities/client shown herein are correct and that the title(s) is also free from all encumbrances and registrable.

We have disregarded the presence of any mortgage or other financial liens pertaining to the property. We have conducted brief title search(es) only. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search(es) which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein.

- 2) A photocopy of Title Search is attached as **Annexure 'E'**.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A 2-storey intermediate terraced shophouse
No. 49, Off Jalan Wong Ah Jang
25100 Kuantan
Pahang Darul Makmur
12 December 2017



VALUATION METHODOLOGY

In arriving at our valuation, we have used the **Comparison Approach** of Valuation.

The Comparison Approach entails comparing the Subject Property with similar properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, size, tenure and restrictions if any, and other relevant characteristics.

SALES EVIDENCE

No.	Property Address	Land Area	Price	Transaction Date	Property Description
1.	No. B-138, Jalan Wong Ah Jang, Kuantan	1,496 sq ft	RM820,000/-	25 September 2017	A 2-storey intermediate terraced shopoffice
2.	No. B-128, Jalan Wong Ah Jang, Kuantan	1,496 sq ft	RM830,000/-	25 January 2017	A 2-storey intermediate terraced shopoffice
3.	No. A-13, Jalan Sri Teruntum 3, Kuantan	1,539 sq ft	RM900,000/-	14 June 2017	A 3-storey intermediate terraced shopoffice

Source: *Jabatan Penilaian dan Perkhidmatan Harta Malaysia (JPPH)*

Note:

The above comparables have better frontages as compared to the Subject Property. As such, in our valuation, we have made the necessary adjustments for factors that affect value.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A 2-storey intermediate terraced shophouse
No. 49, Off Jalan Wong Ah Jang
25100 Kuantan
Pahang Darul Makmur
12 December 2017



VALUATION

Legal Description : GM 3024/Lot 6537, Locality of Bandar Kuantan, Mukim of Kuala Kuantan, District of Kuantan, Pahang Darul Makmur

Date of Valuation : 12 December 2017

Market Value : RM520,000/- (Ringgit Malaysia : Five Hundred And Twenty Thousand Only)

SAVILLS (MALAYSIA) SDN BHD

A handwritten signature in blue ink, appearing to read "Lee Hooi San".

LEE HOOI SAN, MRISM
Registered Valuer (V-879)
Associate Director



APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey intermediate terraced workshop
No. 7, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



PROPERTY DETAILS

Property Type	:	A single storey intermediate terraced workshop
Tenure	:	Freehold
Location and Neighbourhood	:	The Subject Property fronts onto Jalan Bertam 6, within Taman Daya, Johor Bahru, Johor Darul Takzim. Geographically, Taman Daya is situated about 15 kilometres to the north of Johor Bahru city centre. The Subject Property is accessible from Johor Bahru city centre via Tebrau Highway, Jalan Pandan, Jalan Kangkar Tebrau, Jalan Daya, Jalan Bertam, Jalan Bertam 2 and finally onto Jalan Bertam 6. Properties in the immediate vicinity comprise predominantly of terraced houses, cluster / semi-detached / detached houses, flats, terraced shop houses / shop offices, semi-detached / detached factories and undeveloped lands earmarked for future developments. Prominent landmarks in the vicinity are Econsave Taman Daya and Hockey Stadium Taman Daya. Neighbouring residential areas include Taman Setia Indah, Taman Delima 1 and 2, Bandar Dato Onn, Taman Adda, Taman Seri Austin, Taman Mount Austin, Austin Perdana, Taman Austin Heights and Bandar Jaya Putra. The approximate location of the Subject Property is marked red in the Location Plan and Site Plan attached to this report as Annexures 'A' and 'B' respectively.
Provisional Land Area	:	222.96 square metres (2,400 square feet)
Site Description	:	The Subject Site is rectangular in shape. It has a frontage of about 30 feet onto Jalan Bertam 6 and a depth of about 80 feet. The rear boundary of the Subject Site abuts onto a metalled back lane. The Subject Site is flat in terrain and lies about the frontage metalled road level.
Type of Construction	:	Reinforced concrete floor, reinforced concrete framework infilled with plastered brickwalls and a steel-trussed roof covered with metal decks roofing sheets.
Floor Finishes	:	The floor finishes within the Subject Building comprise of cement rendered throughout.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey intermediate terraced workshop
No. 7, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



PROPERTY DETAILS

Accommodation	:	Please refer to the Floor Plan attached as Annexure 'C' . Selected Photographs of the Subject Property are attached as Annexure 'D' .			
Built-up Area	:	Main Floor Area	:	2,400 square feet	(223.0 square metres)
		Ancillary Floor Area	:	0 square feet	(0.0 square metres)
		Total	:	<u>2,400 square feet</u>	<u>(223.0 square metres)</u>
State Of Decorative Repair	:	Fair			
Occupancy Status	:	Owner-occupied			
Services	:	Mains water, electricity supply and telecommunication facilities are connected to the Subject Property. Sanitary facilities are modern and waterborne. The Majlis Bandaraya Johor Bahru (MBJB) provides the usual public services to the area which is under its jurisdiction and administration. Public transportation in the form of buses and taxis is available in the vicinity.			

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey intermediate terraced workshop
No. 7, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



TITLE DETAILS

Brief particulars of title extracted from a search of the registered document of title at the Johor Land Registry in Kota Iskandar, Iskandar Puteri on 14 December 2017 are as follows :-

Title No.	:	HSD 393723
Lot No.	:	PTD 25491
Mukim	:	Tebrau
District	:	Johor Bahru
State	:	Johor Darul Takzim
Tenure	:	Freehold
Provisional Land Area	:	222.96 square metres
Annual Rent	:	RM318.00
Category of Land Use	:	Perusahaan / Perindustrian
Express Conditions	:	i. Tanah ini hendaklah digunakan untuk Bengkel (Workshop) Teres, dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan. ii. Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan / dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan. iii. Segala dasar dan syarat yang ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi.
Restriction-in-interest	:	Nil
Registered Owner	:	Pok Brothers (Johor) Sdn. Bhd
Encumbrances	:	Nil
Endorsements	:	Nil

Notes: -

1. The Client is further advised to appoint their Solicitors to investigate the history of the land title. We have *assumed* that the title particulars as extracted from the relevant land authorities/client shown herein are correct and that the title is also free from all encumbrances and registrable.

We have disregarded the presence of any mortgage or other financial liens pertaining to the property. We have conducted a brief title search only. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein.

2. A photocopy of the **Title Search** is attached as **Annexure 'E'**.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey intermediate terraced workshop
No. 7, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



VALUATION METHODOLOGY

In arriving at our valuation, we have used the **Comparison Approach** of Valuation.

The Comparison Approach entails comparing the Subject Property with similar properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, size, tenure and restrictions if any, and other relevant characteristics.

SALES EVIDENCE

No.	Property Address	Land Area	Price	Transaction Date	Property Description
1.	No. 29, Jalan Mutiara Emas 5/6, Taman Mount Austin, Johor Bahru, Johor Darul Takzim	3,122 sq ft	RM750,000/-	11 October 2016	A single storey intermediate terraced workshop
2.	No. 29, Jalan Bertam 8, Taman Daya, Johor Bahru, Johor Darul Takzim	2,766 sq ft	RM780,000/-	10 August 2016	A single storey intermediate terraced workshop
3.	No. 53, Jalan Bertam 5, Taman Daya, Johor Bahru, Johor Darul Takzim	2,400 sq ft	RM600,000/-	18 December 2015	A single storey intermediate terraced workshop

Source: *Jabatan Penilaian dan Perkhidmatan Harta Malaysia (JPPH)*

Note:

There was a dearth of recent sale transactions of similar properties within the same development, hence we have relied on the transactions of similar properties within the surrounding area.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey intermediate terraced workshop
No. 7, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



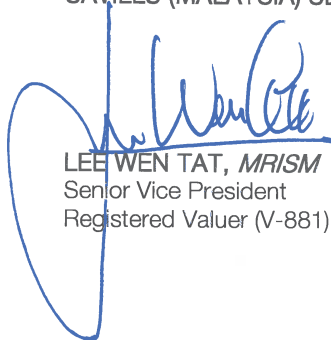
VALUATION

Legal Description : HSD 393723 / PTD 25491, Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim

Date of Valuation : 12 December 2017

Market Value : RM630,000/- (Ringgit Malaysia : Six Hundred And Thirty Thousand Only)

SAVILLS (MALAYSIA) SDN BHD


LEE WEN TAT, *MRISM*
Senior Vice President
Registered Valuer (V-881)



APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey intermediate terraced workshop with an attic
No. 3, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



PROPERTY DETAILS

Property Type	:	A single storey intermediate terraced workshop with an attic
Tenure	:	Freehold
Location and Neighbourhood	:	The Subject Property fronts onto Jalan Bertam 6, within Taman Daya, Johor Bahru, Johor Darul Takzim. Geographically, Taman Daya is situated about 15 kilometres to the north of Johor Bahru city centre. The Subject Property is accessible from Johor Bahru city centre via Tebrau Highway, Jalan Pandan, Jalan Kangkar Tebrau, Jalan Daya, Jalan Bertam, Jalan Bertam 2 and finally onto Jalan Bertam 6. Properties in the immediate vicinity comprise predominantly of terraced houses, cluster / semi-detached / detached houses, flats, terraced shop houses / shop offices, semi-detached / detached factories and undeveloped lands earmarked for future developments. Prominent landmarks in the vicinity are Econsave Taman Daya and Hockey Stadium Taman Daya. Neighbouring residential areas include Taman Setia Indah, Taman Delima 1 and 2, Bandar Dato Onn, Taman Adda, Taman Seri Austin, Taman Mount Austin, Austin Perdana, Taman Austin Heights and Bandar Jaya Putra. The approximate location of the Subject Property is marked red in the Location Plan and Site Plan attached to this report as Annexures 'A' and 'B' respectively.
Provisional Land Area	:	222.96 square metres (2,400 square feet)
Site Description	:	The Subject Site is rectangular in shape. It has a frontage of about 30 feet onto Jalan Bertam 6 and a depth of about 80 feet. The rear boundary of the Subject Site abuts onto a metalled back lane. The Subject Site is flat in terrain and lies about the frontage metalled road level. The main entrance to the Subject Site is secured with a metal roller shutter.
Type of Construction	:	Reinforced concrete floor, reinforced concrete framework infilled with plastered brickwalls and steel-trussed roof covered with metal decks roofing sheets.
Floor Finishes	:	The floor finishes within the Subject Building comprise of the followings:- - Ceramic tiles - Cement rendered

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey intermediate terraced workshop with an attic
No. 3, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



PROPERTY DETAILS

- Accommodation** : Please refer to the **Floor Plan** attached as **Annexure 'C'**.
Selected **Photographs** of the Subject Property are attached as **Annexure 'D'**.
- Improvements** : An attic floor of timber board partitions supported with a steel-framed has been constructed above the general office area.
- Built-up Area** :
Main Floor Area* : 3,240 square feet (301.0 square metres)
Ancillary Floor Area : 60 square feet (5.6 square metres)
Total : 3,300 square feet (306.6 square metres)
**Inclusive of an attic of about 900 square feet (83.6 square metres)*
- State Of Decorative Repair** : Fair
- Occupancy Status** : Owner-occupied
- Services** : Mains water, electricity supply and telecommunication facilities are connected to the Subject Property. Sanitary facilities are modern and waterborne. The Majlis Bandaraya Johor Bahru (MBJB) provides the usual public services to the area which is under its jurisdiction and administration.

Public transportation in the form of buses and taxis is available in the vicinity.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey intermediate terraced workshop with an attic
No. 3, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



TITLE DETAILS

Brief particulars of title extracted from a search of the registered document of title at the Johor Land Registry in Kota Iskandar, Iskandar Puteri on 14 December 2017 are as follows :-

Title No.	:	HSD 123886
Lot No.	:	PTD 25489
Mukim	:	Tebrau
District	:	Johor Bahru
State	:	Johor Darul Takzim
Tenure	:	Freehold
Provisional Land Area	:	222.96 square metres
Annual Rent	:	RM318.00
Category of Land Use	:	Perusahaan / Perindustrian
Express Conditions	:	i. Tanah ini hendaklah digunakan untuk Bengkel (Workshop) Teres, dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan. ii. Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan / dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan. iii. Segala dasar dan syarat yang ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi.
Restriction-in-interest	:	Nil
Registered Owner	:	Pok Brothers (Johor) Sdn Bhd
Encumbrances	:	Nil
Endorsements	:	Nil

Notes: -

1. The Client is further advised to appoint their Solicitors to investigate the history of the land title. We have *assumed* that the title particulars as extracted from the relevant land authorities/client shown herein are correct and that the title is also free from all encumbrances and registrable.

We have disregarded the presence of any mortgage or other financial liens pertaining to the property. We have conducted a brief title search only. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein.

2. A photocopy of the **Title Search** is attached as **Annexure 'E'**.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey intermediate terraced workshop with an attic
No. 3, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



VALUATION METHODOLOGY

In arriving at our valuation, we have used the **Comparison Approach** of Valuation.

The Comparison Approach entails comparing the Subject Property with similar properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, size, tenure and restrictions if any, and other relevant characteristics.

SALES EVIDENCE

No.	Property Address	Land Area	Price	Transaction Date	Property Description
1.	No. 29, Jalan Mutiara Emas 5/6, Taman Mount Austin, Johor Bahru, Johor Darul Takzim	3,122 sq ft	RM750,000/-	11 October 2016	A single storey intermediate terraced workshop
2.	No. 29, Jalan Bertam 8, Taman Daya, Johor Bahru, Johor Darul Takzim	2,766 sq ft	RM780,000/-	10 August 2016	A single storey intermediate terraced workshop
3.	No. 53, Jalan Bertam 5, Taman Daya, Johor Bahru, Johor Darul Takzim	2,400 sq ft	RM600,000/-	18 December 2015	A single storey intermediate terraced workshop

Source: *Jabatan Penilaian dan Perkhidmatan Harta Malaysia (JPPH)*

Note:

There was a dearth of recent sale transactions of similar properties within the same development, hence we have relied on the transactions of similar properties within the surrounding area.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey intermediate terraced workshop with an attic
No. 3, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



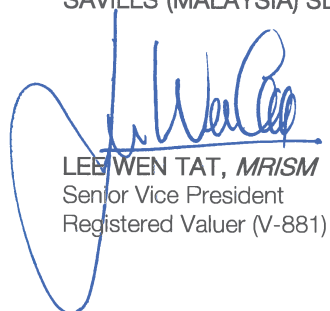
VALUATION

Legal Description : HSD 123886 / PTD 25489, Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim

Date of Valuation : 12 December 2017

Market Value : RM670,000/- (Ringgit Malaysia : Six Hundred And Seventy Thousand Only)

SAVILLS (MALAYSIA) SDN BHD


LEE WEN TAT, MRISM
Senior Vice President
Registered Valuer (V-881)



APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey corner terraced workshop
No. 1, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



PROPERTY DETAILS

Property Type	: A single storey corner terraced workshop
Tenure	: Freehold
Location and Neighbourhood	The Subject Property enjoys a dual frontage onto Jalan Bertam 6 and Jalan Bertam 5, within Taman Daya, Johor Bahru, Johor Darul Takzim. Geographically, Taman Daya is situated about 15 kilometres to the north of Johor Bahru city centre. The Subject Property is accessible from Johor Bahru city centre via Tebrau Highway, Jalan Pandan, Jalan Kangkar Tebrau, Jalan Daya, Jalan Bertam, Jalan Bertam 2 and finally onto Jalan Bertam 6. Properties in the immediate vicinity comprise predominantly of terraced houses, cluster / semi-detached / detached houses, flats, terraced shop houses / shop offices, semi-detached / detached factories and undeveloped lands earmarked for future developments. Prominent landmarks in the vicinity are Econsave Taman Daya and Hockey Stadium Taman Daya. Neighbouring residential areas include Taman Setia Indah, Taman Delima 1 and 2, Bandar Dato Onn, Taman Adda, Taman Seri Austin, Taman Mount Austin, Austin Perdana, Taman Austin Heights and Bandar Jaya Putra. The approximate location of the Subject Property is marked red in the Location Plan and Site Plan attached to this report as Annexures 'A' and 'B' respectively.
Provisional Land Area	: 435.701 square metres (4,690 square feet)
Site Description	The Subject Site is almost regular in shape with a front splay corner. It has a frontage of about 54 feet onto Jalan Bertam 6, a front splay corner of about 12 feet and a return frontage of about 62 feet onto Jalan Bertam 5. The rear boundary of the Subject Site abuts onto a metalled back lane. The Subject Site is flat in terrain and lies about the frontage metalled road level.
Type of Construction	: Reinforced concrete floor, reinforced concrete framework infilled with plastered brickwalls and a steel-trussed roof covered with metal decks roofing sheets.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey corner terraced workshop
No. 1, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



PROPERTY DETAILS

- Floor Finishes** : The floor finishes within the Subject Building comprise of the followings:-
- Ceramic tiles
 - Cement rendered
- Accommodation** : Please refer to the **Floor Plan** attached as **Annexure 'C'**.
- Selected **Photographs** of the Subject Property are attached as **Annexure 'D'**.
- Built-up Area** :
- | | | | |
|----------------------|---|-------------------|-----------------------|
| Main Floor Area | : | 3,176 square feet | (295.1 square metres) |
| Ancillary Floor Area | : | 24 square feet | (2.2 square metres) |
| Total | : | 3,200 square feet | (297.3 square metres) |
- State Of Decorative Repair** : Fair
- Occupancy Status** : Owner-occupied
- Services** : Mains water, electricity supply and telecommunication facilities are connected to the Subject Property. Sanitary facilities are modern and waterborne. The Majlis Bandaraya Johor Bahru (MBJB) provides the usual public services to the area which is under its jurisdiction and administration.
- Public transportation in the form of buses and taxis is available in the vicinity.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey corner terraced workshop
No. 1, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



TITLE DETAILS

Brief particulars of title extracted from a search of the registered document of title at the Johor Land Registry in Kota Iskandar, Iskandar Puteri on 14 December 2017 are as follows :-

Title No.	:	HSD 123885
Lot No.	:	PTD 25488
Mukim	:	Tebrau
District	:	Johor Bahru
State	:	Johor Darul Takzim
Tenure	:	Freehold
Provisional Land Area	:	435.701 square metres
Annual Rent	:	RM530.00
Category of Land Use	:	Perusahaan / Perindustrian
Express Conditions	:	i. Tanah ini hendaklah digunakan untuk Bengkel (Workshop) Teres, dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan. ii. Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan / dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan. iii. Segala dasar dan syarat yang ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi.
Restriction-in-interest	:	Nil
Registered Owner	:	Pok Brothers (Johor) Sdn. Bhd
Encumbrances	:	Nil
Endorsements	:	Nil

Notes: -

1. The Client is further advised to appoint their Solicitors to investigate the history of the land title. We have *assumed* that the title particulars as extracted from the relevant land authorities/client shown herein are correct and that the title is also free from all encumbrances and registrable.

We have disregarded the presence of any mortgage or other financial liens pertaining to the property. We have conducted a brief title search only. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein.

2. A photocopy of the **Title Search** is attached as **Annexure 'E'**.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey corner terraced workshop
No. 1, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



VALUATION METHODOLOGY

In arriving at our valuation, we have used the **Comparison Approach** of Valuation.

The Comparison Approach entails comparing the Subject Property with similar properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location and accessibility, market conditions, size, tenure and restrictions if any, and other relevant characteristics.

SALES EVIDENCE

No.	Property Address	Land Area	Price	Transaction Date	Property Description
1.	No. 6, Jalan Mutiara Emas 5/1, Taman Mount Austin, Johor Bahru, Johor Darul Takzim	3,122 sq ft	RM870,000/-	25 March 2017	A single storey intermediate terraced workshop
2.	No. 29, Jalan Mutiara Emas 5/6, Taman Mount Austin, Johor Bahru, Johor Darul Takzim	3,122 sq ft	RM750,000/-	11 October 2016	A single storey intermediate terraced workshop
3.	No. 29, Jalan Bertam 8, Taman Daya, Johor Bahru, Johor Darul Takzim	2,766 sq ft	RM780,000/-	10 August 2016	A single storey intermediate terraced workshop

Source: *Jabatan Penilaian dan Perkhidmatan Harta Malaysia (JPPH)*

Note:

There was a dearth of recent sale transactions of similar properties within the same development, hence we have relied on the transactions of similar properties within the surrounding area.

APPENDIX C – ASSET VALUATION SUMMARY LETTERS

A single storey corner terraced workshop
No. 1, Jalan Bertam 6, Taman Daya
81100 Johor Bahru, Johor Darul Takzim
12 December 2017



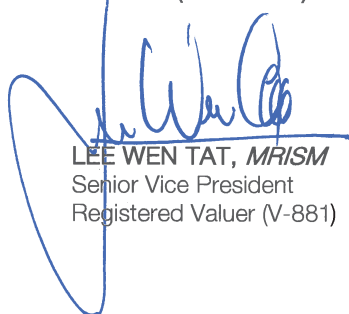
VALUATION

Legal Description : HSD 123885 / PTD 25488, Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim

Date of Valuation : 12 December 2017

Market Value : RM1,000,000/- (Ringgit Malaysia : One Million Only)

SAVILLS (MALAYSIA) SDN BHD


LEE WEN TAT, MRISM
Senior Vice President
Registered Valuer (V-881)



NOTICE OF EXTRAORDINARY GENERAL MEETING

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200313131Z)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of the shareholders of Envictus International Holdings Limited (the “**Company**”) will be held at Crystal Suite, Level 2, Holiday Inn Singapore Orchard City Centre, 11 Cavenagh Road, Singapore 229616 on Friday, 8 June 2018 at 10.00 a.m. for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1 - THE PROPOSED ACQUISITION OF 14,757,000 SHARES REPRESENTING 100% OF THE TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF MOTIVAGE SDN BHD AS A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION

That, subject to and contingent upon the passing of Ordinary Resolution 2:

- (a) approval be and is hereby given for the acquisition of 14,757,000 shares, representing 100% of the total issued and paid-up share capital of Motivage Sdn Bhd, from Khor Sin Kok and Khor Guat Bee (the “**Vendors**”) for a consideration of RM24.0 million, of which RM5.0 million will be satisfied by way of cash and the remaining RM19.0 million will be satisfied by the allotment and issuance of 15,775,210 shares in the capital of the Company, in accordance with the terms and conditions of the share agreement entered into between Polygold Holdings Sdn Bhd, a wholly-owned subsidiary of the Company, and the Vendors, which constitutes a major transaction and an interested person transaction under the Listing Manual of the SGX-ST (the “**Proposed Acquisition**”);
- (b) the Directors of the Company and each of them be and are hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Acquisition, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this resolution or the transactions contemplated pursuant to or in connection with the Proposed Acquisition.

ORDINARY RESOLUTION 2 – THE PROPOSED ALLOTMENT AND ISSUE OF 15,775,210 CONSIDERATION SHARES TO THE VENDORS IN PART SATISFACTION OF THE CONSIDERATION FOR THE PROPOSED ACQUISITION

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

- (a) to allot and issue to Khor Sin Kok (or his nominees) an aggregate of 15,775,210 ordinary shares in the Company, credited as fully paid-up, at an issue price of S\$0.3913 each as part satisfaction of the consideration for the Proposed Acquisition; and
- (b) to complete and do all acts and things (including any other agreements or documents and procurement of third party consents) as they may consider necessary or expedient for the purposes of, in connection with or to give effect to this resolution as they think fit and in the interests of the Company.

BY ORDER OF THE BOARD

S Surenthiraraj @ S Suresh
Kok Mor Keat
Company Secretaries

Singapore
16 May 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member (other than a Relevant Intermediary (as defined below)) entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the Share Registrar's Office at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 not less than 72 hours before the time for holding EGM.
3. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the EGM. Relevant intermediary is either:
 - (a) a banking corporation licensed under the Banking Act, Cap. 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Cap. 289 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act, Cap. 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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

ENVICTUS INTERNATIONAL HOLDINGS LIMITED

(Company Registration No. 200313131Z)
(Incorporated in the Republic of Singapore)

PROXY FORM

EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For investors who have used their CPF monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes of used or is purported to be used by them.
3. Please read the notes to the Proxy Form.

I/We, _____

of _____

being a member/members of Envictus International Holdings Limited (the “**Company**”) hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and at the Extraordinary General Meeting (“**EGM**”) of the Company to be held on 8 June 2018 at 10.00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/ proxies to vote for or against the Resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any item arising not summarised below, the proxy/proxies will vote or abstain from voting at his/their discretion. If no person is named in the above boxes, the Chairman of the EGM shall be my/our proxy to vote, for or against the Resolutions to be proposed at the EGM as indicated hereunder for me/us and on my/our behalf at the EGM and at any adjournment thereof.

	Number of Votes For	Number of Votes Against
Ordinary Resolution 1 To approve the Proposed Acquisition of 100% of the total issued and paid-up share capital of Motivage Sdn Bhd		
Ordinary Resolution 2 To approve the allotment and issue of 15,775,210 Consideration Shares to Mr Khor Sin Kok (or his nominees)		

Note:

1. If you wish to exercise all your votes “For” or “Against” the relevant resolution, please insert [x] within the relevant box provided. Alternatively, please indicate the number of Shares as appropriate.
2. Please note that the short descriptions given above of the resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of EGM dated 16 May 2018 for the full purpose and intent of the resolutions to be passed.

Dated this _____ day of _____ 2018.

Total Number of Shares held	
CDP Register	
Register of Members	

Signature(s) of Member(s) or,
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF



PROXY FORM

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), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote in his stead at the Extraordinary General Meeting. Such proxy need not be a member of the Company.
3. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the Extraordinary General Meeting. Relevant intermediary is either:
 - (a) a banking corporation licensed under the Banking Act, Cap. 19 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Cap. 289 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act, Cap. 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 not less than 72 hours before the time appointed for the EGM. If a shareholder submits a proxy form and subsequently attends the meeting in person and votes, the appointment of the proxy should be revoked.
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 is signed on behalf of the appointor by an attorney, the letter or power of attorney (or other authority) 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 of the Company may authorise by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Cap. 50.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

In addition, in the case of a member whose Shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

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