CIRCULAR DATED 28 SEPTEMBER 2017

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, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of Blumont Group Ltd. (博诺有限公司), you should immediately forward this Circular to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, 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.

BLUMONT
博诺有限公司

BLUMONT GROUP LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199302554G)
("**Company**")

CIRCULAR TO SHAREHOLDERS IN RELATION TO

MANDATORY UNCONDITIONAL CASH OFFER

by

ULTIMATE HORIZON PTE. LTD.

(Incorporated in the Republic of Singapore)
(Registration No: 201722003K)

to acquire all the issued and paid-up ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by Ultimate Horizon Pte. Ltd.

Independent Financial Adviser to the Independent Directors of the Company

ASIAN CORPORATE ADVISORS PTE. LTD.

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

SHAREHOLDERS SHOULD NOTE THAT THE OFFER WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME) ON 12 OCTOBER 2017. THE OFFEROR DOES NOT INTEND TO EXTEND THE OFFER BEYOND 5.30 P.M. (SINGAPORE TIME) ON 12 OCTOBER 2017 OR TO REVISE THE TERMS OF THE OFFER.

CONTENTS

		Page
DEFINITIONS		2
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS		7
SUMMARY TIMETABLE		8
LETTER TO SHAREHOLDERS		9
1	INTRODUCTION	9
2	THE OFFER	10
3	INFORMATION ON THE OFFEROR	12
4	RATIONALE FOR THE OFFER	12
5	OFFEROR'S INTENTIONS FOR THE COMPANY	13
6	ADVICE AND RECOMMENDATION	13
7	ACTION TO BE TAKEN BY THE SHAREHOLDERS	18
8	OVERSEAS SHAREHOLDERS	18
9	INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS	20
10	CONSENT	20
11	DOCUMENTS AVAILABLE FOR INSPECTION	21
12	DIRECTORS' RESPONSIBILITY STATEMENT	21
13	ADDITIONAL INFORMATION	21
APPENDIX I –	LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER	22
APPENDIX II –	ADDITIONAL GENERAL INFORMATION ON THE GROUP	64
APPENDIX III –	SELECTED TEXTS FROM THE COMPANY'S CONSTITUTION	72

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

"***Announcement Date***"	:	24 August 2017, being the date of the Offer Announcement
"***Business Day***"	:	A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
"***CDP***"	:	The Central Depository (Pte) Limited
"***Circular***"	:	This circular dated 28 September 2017 issued by the Company to Shareholders in relation to the Offer (including, *inter alia,* the Appendices to this Circular) and any other document which may be issued by or on behalf of the Company to amend, revise, supplement or update this Circular from time to time
"***Closing Date***"	:	5.30 p.m. (Singapore time) on 12 October 2017, being the closing time and date for the lodgement of acceptances of the Offer
"***Code***"	:	The Singapore Code on Take-overs and Mergers
"***Commencement Date***"	:	14 September 2017, being the date of despatch of the Offer Document
"***Companies Act***"	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
"***Company***"	:	Blumont Group Ltd.
"***Company Securities***"	:	(i) Shares; (ii) options; (iii) other securities which carry voting rights in the Company; and (iv) convertible securities, warrants, options, awards or derivatives in respect of any Shares or other securities which carry voting rights in the Company
"***Constitution***"	:	The constitution of the Company comprising the memorandum and articles of association of the Company
"***Concert Parties***"	:	Parties acting or presumed to be acting in concert with the Offeror in connection with the Offer
"***CPF***"	:	Central Provident Fund
"***CPF Agent Banks***"	:	Agent banks included under the CPFIS
"***CPFIS***"	:	Central Provident Fund Investment Scheme

"CPFIS Investors"	:	Investors who purchase Shares using their CPF contributions pursuant to the CPFIS
"Directors"	:	The directors of the Company as at the Latest Practicable Date
"FAA"	:	Form of Acceptance and Authorisation for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are deposited with CDP and which forms part of this Offer Document
"FAT"	:	Form of Acceptance and Transfer for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of this Offer Document
"FY"	:	Financial year ended or ending (as the case may be) 31 December of a particular year as stated
"Group"	:	The Company and its subsidiaries
"IFA"	:	Asian Corporate Advisors Pte. Ltd., the independent financial adviser to the Independent Directors in relation to the Offer
"IFA Letter"	:	The letter dated 28 September 2017 from the IFA to the Independent Directors in relation to the Offer, as set out in Appendix I to this Circular
"Independent Directors"	:	The directors of the Company who are considered to be independent for the purposes of the Offer, being all the Directors
"Latest Practicable Date"	:	14 September 2017, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	:	The listing manual of the SGX-ST, as amended up to the Latest Practicable Date
"Market Day"	:	A day on which the SGX-ST is open for the trading of securities
"Offer"	:	The mandatory unconditional cash offer made by the Offeror, for the Offer Shares on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by the Offeror

"Offer Announcement"	:	The announcement relating to the Offer released by the Offeror on the Announcement Date
"Offer Document"	:	The offer document dated 14 September 2017, including the FAA and FAT, and any other document(s) which may be issued by the Offeror, to amend, revise, supplement or update the document(s) from time to time
"Offer Price"	:	S$0.000182 in cash for each Offer Share
"Offer Shares"	:	All the Shares to which the Offer relates, as more particularly defined in paragraph 1.1 of the Letter to Shareholders in this Circular
"Offeror"	:	Ultimate Horizon Pte. Ltd.
"Offeror Securities"	:	(i) shares in the Offeror; (ii) securities which carry substantially the same rights as any Offeror shares, and (c) convertible securities, warrants, options, awards or derivatives in respect of any Offeror Shares or other securities which carry voting rights in the Offeror
"Overseas Shareholders"	:	The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register, or as the case may be, in the Depository Register
"1HFY2017"	:	Six-months financial period ended 30 June 2017
"1HFY2017 Results"	:	The interim unaudited financial statement of the Group as announced on 11 August 2017
"Register"	:	The register of holders of Shares, as maintained by the Registrar
"Share Registrar"	:	Intertrust Singapore Corporate Services Pte. Ltd.
"Securities Account"	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account
"SFA"	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
"SGX-ST"	:	The Singapore Exchange Securities Trading Limited
"Shareholders"	:	Holders of Shares as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register

"Shares"	:	Issued and paid-up ordinary shares in the capital of the Company
"SRS"	:	The Supplementary Retirement Scheme
"SRS Agent Banks"	:	Agent banks included under SRS
"SRS Investors"	:	Investors who purchase Shares pursuant to SRS
"S$" and ***"cents"***	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
"VWAP"	:	Volume-weighted average price
"%" or ***"per cent"***	:	Percentage or per centum

Acting in Concert. Unless otherwise defined, the term "**acting in concert**" shall have the meaning ascribed to it in the Code.

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

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

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

Shares. In this Circular, the total number of Shares is 31,645,762,183 Shares, and there are no treasury shares, as at the Latest Practicable Date.

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

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

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

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

Time and Date. Any reference to a time of day and date in this Offer Document shall be a reference to Singapore time and date, unless otherwise specified.

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

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “if”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statement.

SUMMARY TIMETABLE

Date of despatch of the Offer Document	:	14 September 2017
Date of despatch of Circular	:	28 September 2017
Closing Date	:	5.30 p.m. (Singapore time) on 12 October 2017
Date of settlement of consideration for valid acceptances of the Offer	:	Please refer to Appendix 1, paragraph 2 of the Offer Document for further details.

BLUMONT GROUP LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 199302554G)

Board of Directors:

Ng Kim Huatt (Executive Director)
Alan Chin Yu (Executive Director)
Calvin Lim Huan Kim (Lead Independent Non-Executive Director)
Tan Gim Kang, Arran (Independent Non-Executive Director)
Aris Muhammad Rizal (Independent Non-Executive Director)

Registered Office:

298 Tiong Bahru Road
#11-03 Central Plaza
Singapore 168730

28 September 2017

To: The Shareholders of Blumont Group Ltd.

Dear Sir/Madam

MANDATORY UNCONDITIONAL CASH OFFER BY THE OFFEROR FOR THE OFFER SHARES

1 INTRODUCTION

1.1 Offer Announcement

On 24 August 2017, the Offeror announced that the Offeror intends to make a mandatory unconditional cash offer for all the Shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Offeror ("**Offer Shares**").

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

1.2 Aggregate holding of Shares by the Offeror and parties acting in concert with the Offeror

Paragraph 1.1 of the Offer Document states that, as at 24 August 2017 the Offeror holds 22,011,537,185 Shares.

The Offer Document did not mention that there is any party acting in concert with the Offeror who holds Shares.

Further details on the aggregate holding of Shares by the Offeror and the Concert Parties can be found in Appendix 5 of the Offer Document.

1.3 Offer Document

Shareholders should have by now received a copy of the Offer Document despatched by the Offeror on the Commencement Date, being 14 September 2017, containing the formal offer by the Offeror, to acquire all the Offer Shares, subject to the terms and conditions set out in the Offer Document.

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

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

1.4 Independent Financial Adviser

Asian Corporate Advisors Pte. Ltd. has been appointed as the independent financial adviser to the Independent Directors in relation to the Offer.

1.5 Purpose of this Circular

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

Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors set out in this Circular before deciding whether or not to accept the Offer.

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

2 THE OFFER

2.1 Based on the information set out in the Offer Document, the Offeror is making the Offer for the Offer Shares subject to the terms and conditions set out in the Offer Document, the FAA and/or the FAT (as the case may be). The principal terms and conditions of the Offer, as extracted from the Offer Document, are set out below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"***2. THE OFFER***

2.1 ***Offer.*** *The Offeror hereby makes the Offer to acquire all the Offer Shares (as defined below) in accordance with Rule 14 of the Code and on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT.*

2.2 ***Offer Shares***

*(a) The Offer is extended to all the Shares other than those already owned, controlled or agreed to be acquired by the Offeror (the "**Offer Shares**").*

*(b) For the avoidance of doubt, the Offer is extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by the Concert Parties. For the purpose of the Offer, the expression "**Offer Shares**" shall include such Shares.*

2.3 ***Offer Price.*** *The consideration for each Offer Share is as follows:*

For each Offer Share: S$0.000182 in cash (the "Offer Price")

The Offer Price is final. The Offeror will not revise the Offer Price.

2.4 ***No Encumbrances.*** *The Offer Shares are to be acquired (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any), the Distribution Record Date for which falls on or after the Offer Announcement Date.*

2.5 ***Adjustments for Distributions.*** *Without prejudice to the generality of the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distributions, the Distribution Record Date for which falls on or after the Offer Announcement Date.* ***In the event of any such Distribution, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer shall be reduced by an amount which is equal to the amount of such Distribution as follows****, depending on when the Offer Settlement Date falls:*

(a) *if the Offer Settlement Date falls on or before the Distribution Record Date, the Offeror will pay the relevant accepting Shareholders the unadjusted Offer Price of S$0.000182 in cash for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and*

(b) *if the Offer Settlement Date falls after the Distribution Record Date, the Offer Price payable for such Offer Shares tendered in acceptance shall be reduced by an amount which is equal to the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Company.*

2.6 ***Unconditional Offer.*** *Following the completion of the Acquisition, the Offeror and its Concert Parties hold more than 50% of the voting rights attributable to the Shares (excluding any Shares held in treasury). As such, the Offer is unconditional in all respects.*

2.7 ***Warranty.*** *A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to all Distributions (if any), the Distribution Record Date for which falls on or after the Offer Announcement Date*."

2.2 Further details of the Offer and the procedures for acceptance may be found in the Offer Document, an extract of which is set out below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"4. FURTHER DETAILS OF THE OFFER

Appendix 1 to this Offer Document sets out further details on:

(a) the settlement of the consideration for the Offer;

(b) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and

(c) *the right of withdrawal of acceptances of the Offer.*"

3 INFORMATION ON THE OFFEROR

The following information on the Offeror has been extracted from the Offer Document and reproduced below:

"***6. INFORMATION ON THE OFFEROR***

6.1 ***The Offeror.*** *The Offeror was incorporated in Singapore on 3 August 2017 as an investment holding company. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S$1,000 comprising 1,000 ordinary shares. The Offeror's registered address is at 8 Robinson Road, #03-00 ASO Building, Singapore 048544.*

The sole shareholder of the Offeror is Siaw Lu Howe, who is a Malaysian businessman engaged in hospitality, real estate and mining services businesses primarily located in the state of Sarawak, Malaysia. The directors of the Offeror are Siaw Lu Howe and Kek Wei Na.

6.2 ***Additional Information.*** *Additional information on the Offeror is set out in Appendix 3 to this Offer Document.*"

4 RATIONALE FOR THE OFFER

The Offeror's rationale for the Offer has been extracted from the Offer Document and reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

"***8. RATIONALE FOR THE OFFER***

As a result of the Acquisition as described in Section 1.1 above, the Offeror owned, controlled or agreed to acquire not less than 30% of the total number of Shares as at the Offer Announcement Date. Accordingly, the Offer is being made by the Offeror in compliance with the requirements of the Code."

5 OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror's intentions for the Company has been extracted from the Offer Document and reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

"***9. THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY***

The Offeror intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced. As part of the review, the Offeror may undertake an assessment of the human resource requirements of the Group in line with the future corporate direction of the Group. Additionally, the Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interests of the Group.

Save as disclosed above, the Offeror presently has no intentions to (a) introduce any major changes to the existing business of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of existing employees of the Group, in each case, other than in the ordinary course of business."

6 ADVICE AND RECOMMENDATION

6.1 General

Shareholders should read and carefully consider the advice of the IFA to the Independent Directors on the Offer, as set out in the IFA Letter, and the recommendation of the Independent Directors before deciding whether to accept or reject the Offer. The IFA Letter is set out in Appendix I to this Circular.

6.2 Advice of the IFA to the Independent Directors

The IFA's advice to the Independent Directors in respect of the Offer, as extracted from pages 38 to 41 of the IFA Letter, is set out below and should be read in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise defined or the context otherwise requires, all capitalised terms below shall have the same meaning as defined in the IFA Letter.

"In summary, having regard to our analysis and the consideration in this Letter (including, inter alia, its limitation and constraints) and after having considered carefully the information available to us and based on market, economic and other relevant considerations prevailing as at the Latest Practicable Date, and subject to our terms of reference, as well as the confirmation and representation from the Directors that (a) they are satisfied that given inter alia the status of development, lapse of JVA and requirements for financing, the ascribed market value of the development land and the bases for such valuation is reasonable, and (b) in the event the value after development of the JV Land had been completed and ready for occupation and the estimated total cost including carrying charges of completing the development are considered, the revaluation surplus from Appraised Assets would have been higher and accordingly, the discount implied by the Offer Price from the Group's RNAV

and/or RNTA per Share would have been higher, we are of the opinion that, in the absence of an alternative offer, the financial terms of the Offer is, on balance, ***NOT FAIR*** *and* ***NOT REASONABLE****.*

For the purposes of evaluation of the Offer from a financial point of view, we have adopted the approach that the term "fair and reasonable" comprises two distinct concepts:

(i) Whether the Offer is "fair" relates to the value of the offer price which is based strictly on the evaluation of the Offer Price (i.e. by looking at the financial or fundamental analyses of the Offer Price as set out in this Letter and based on information known to us or which is publicly available).

(ii) Whether the Offer is "reasonable", after taking into consideration the actual and potential financial impact of other circumstances surrounding the Offer and the Company which we consider relevant (being both quantitative and qualitative factors available and made known to us).

We consider the financial terms of the Offer to be ***NOT FAIR****, from a financial point of view after factoring, inter alia, the following:–*

(i) Substantial discounts implied by the Offer Price from the historical market prices for the Shares considering, inter alia, that (a) the Offer Price is substantially lower than the minimum trading price for shares listed on the SGX-ST and the transacted market prices for the Shares during the 12-month period prior to the Announcement Date and from the Announcement Date to the Latest Practicable Date; (b) the implied discount of approximately 81.8% from the last transacted price for the Shares on the Last Trading Day prior to the Announcement Date; and (c) the implied discounts of approximately 94.0%, 91.4%, 88.5% and 89.9% from the VWCP for the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Announcement Date. The implied discounts (for last transacted prices prior to Announcement Date, VWAP for 3-month and 1-month period prior to Announcement Date) are generally worse off than the Selected Non-Privatisation MGO Transactions.

(ii) The Offer Price is at a discount of approximately 42.8% from the Group's RNAV and/or RNTA per Share and the implied P/NTA of 0.6 times is lower than the simple average and median and relatively in line with the minimum for the Selected Non-Privatisation MGO Transactions. In addition, the Directors represented and confirmed that in the event the value after development of the JV Land had been completed and ready for occupation and the estimated total cost including carrying charges of completing the development are considered, the revaluation surplus from Appraised Assets would have been higher and accordingly, the discount implied by the Offer Price from the Group's RNAV and/or RNTA per Share would have been higher.

(iii) Unfavourable comparison with the Selected Non-Privatisation MGO Transactions.

(iv) Less favourable comparison of the Offer Price with the Placement Price, Rights Issue Price and Issue Price in terms of nominal terms, implied discount to the historical market prices and P/NTA multiple.

*We consider the financial terms of the Offer to be **NOT REASONABLE**, from a financial point of view after factoring, inter alia, the following:–*

(i) Notwithstanding the disclaimer of opinion issued by the Independent Auditors for FY2016, pertaining to, inter alia, appropriateness of the going concern assumption, we note that the financial position of the Group has improved as at 30 June 2017 in terms of the positive net working capital, lower gearing ratio and positive shareholders' equity.

(ii) The Directors' confirmation that despite uncertainties, the Group can continue as a going concern in view of, inter alia, cash inflow from the sterilisation business, cash inflow from sale of property, cash inflow from the sale of Trackplus Land (if required), and the waiver of payment of a portion of the late penalty fee in connection with the withholding tax (but the withholding tax on interest payment is still fully payable by instalment).

(iii) As at the Announcement Date, the Offeror and its Concert Parties hold approximately 69.56% of the total number of issued Shares and subsequent to the Announcement Date to the Latest Practicable Date, the Offeror did not make any further announcement in connection with changes in its shareholding in the Company or further purchases of Shares. Accordingly, the Offeror and its Concert Parties have a statutory control of the Company, which places the Offeror in a position to significantly influence, inter alia, the management, operating and financial policies of the Company and is in a position to pass ordinary resolutions for matters in which the Offeror and its Concert Parties do not have an interest, at general meetings of Shareholders. Furthermore, acceptance of the Offer by Shareholders will further reduce the free float, number of Shares available for trading and Shareholders. This may further exacerbate the illiquidity, volatility and the bid and ask spreads for the Shares and increase transactional or trading cost (other than commissions where applicable).

(iv) The trading activities for the Shares had been generally active during the 12-month period prior to the Announcement Date and for the period commencing on the Announcement Date to the Latest Practicable Date, which we have assessed in conjunction with the fact that the Offer Price is lower than the minimum trading price for shares listed on the SGX-ST and the transacted market prices for the Shares during the 12-month period prior to the Announcement Date and the period commencing on the Announcement Date (after lifting of the trading halt) to the Latest Practicable Date. The Offer Price represents a substantial discount of approximately 90.9% from the last transacted price of S$0.002 per Share on the SGX-ST on 14 September 2017, being the Latest Practicable Date.

ACA's Recommendation on the Offer

*Based on our assessment of the financial terms of the Offer as set out above, we advise the Independent Directors that they should recommend that Shareholders **REJECT** the Offer. For Shareholders who wish to realise their Shares, to sell their Shares in the open market as the transacted prices for the Shares during the 12-month period prior to the Announcement Date and period commencing on the Announcement Date to the Latest Practicable Date were substantially higher than the Offer Price.*

Directors and Shareholders should note that the trading of the Shares are subject to, inter alia, the performance and prospects of the Group, prevailing market conditions, economic outlook and stock market conditions and sentiments. Accordingly, our advice on the Offer

does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of our review and also, such advice, if given, would not fall within our terms of reference in connection with the Offer.

Matters to highlight

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

1. *If the Shareholders are considering selling their Offer Shares in the open market, they should be aware that the current market prices and trading volumes for the Shares may have been supported by the Offer and may not be maintained at current levels when the Offer closes.*

2. *The Offeror has stated in the Offer Document that the Offer Price is final and it will not revise the Offer Price.*

3. *Whilst the possibility of a higher offer from a third party cannot be ruled out, as at the Latest Practicable Date, we are not aware of any publicly available evidence of an alternative offer for the Shares. Shareholders should be aware that the chances of such an alternative offer for Shares being made by a third party may be affected by the fact that as at the Announcement Date, the Offeror and its Concert Parties hold approximately 69.56% of the total number of issued Shares.*

4. *As set out in the Offer Document, the Offer is unconditional.*

5. *It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. In the event that the percentage of Shares (excluding any Shares held in treasury) held in public hands falls below 10% and the SGX-ST suspends trading of the Shares, the Offeror will assess the options available at such time, including but not limited to carrying out a compliance placement exercise after the completion of the Offer. Thus, the ability of the Company to meet the public float requirements and remain listed after close of the Offer, is possibly alleviated. Furthermore given that approximately 11.84% of the issued Shares will not be tendered for acceptance pursuant to the Directors' statement of intention in the Circular, the possibility of Shareholders relying on a compulsory acquisition accorded for their "protection" pursuant to Section 215(3) of the Act is reduced.*

6. *The Directors confirmed that as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, the audited financial statements for the Group for FY2016 and the unaudited financial statements for the Group for HY2017, there has been no material changes to the Group's assets and liabilities, financial position, condition and performance.*

7. *Our scope does not require us and we have not made any independent evaluation of the Group (including without limitation, market value or economic potential) or appraisal of the Group's assets and liabilities (including without limitation, financial assets, development property, asset(s) held for sale and property and equipment) or contracts entered into or to be entered into by the Group (where applicable) 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 (where applicable) by the Group. The Directors have*

confirmed that for the internal accounting reference purpose, they have commissioned two Independent Valuers to determine the market value of the Group's development property and selected asset(s) held for sale, as well as selected property and equipment of the Group as at the Valuation Date. As the valuation reports issued by the Independent Valuers are not prepared specifically for the purpose of and in connection with the Offer, the valuation reports will not be made publicly available. Nevertheless, the Directors confirmed that each of the Independent Valuers has given consent for the references to and/or use of the market value of the Group's development property and selected asset(s) held for sale or the fair value of the selected property and equipment of the Group by the Directors, who have the liberty to disclose such valuation to us in connection with their bases for their representations. With respect to such valuation, we are not experts in the evaluation or appraisal of assets and liabilities (including without limitation, financial assets, development property, asset(s) held for sale and property and equipment) including, inter alia, the contracts or agreements that the Group has embarked upon or are about to embark upon (where applicable) and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.

Limitations

It is also to be noted that as trading of the Shares is subject to possible market fluctuations and accordingly, our advice on the Offer does not and cannot take into account the future trading activities or patterns or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review and also such advice, if given, would not fall within our terms of reference in connection with the Offer.

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

6.3 Recommendations of the Independent Directors

The Independent Directors, having carefully considered the terms of the Offer and the advice given by the IFA to the Independent Directors in the IFA Letter, set out their recommendation on the Offer below:

The Independent Directors concur with the advice of the IFA in respect of the Offer and accordingly recommend that Shareholders **NOT TO ACCEPT** the Offer.

Shareholders should also note that there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer and the current price performance of the Shares may not be indicative of the future price performance levels of the Shares.

Shareholders are advised to read the IFA Letter set out in Appendix I to this Circular carefully before deciding whether to accept or reject the Offer, as the case may be. Shareholders should note that the advice of the IFA and the recommendation of the Independent Directors should not be relied on by any Shareholder as the sole basis for deciding whether or not to accept the Offer, as the case may be.

Further, in rendering the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situations, tax status or position, risk profiles or unique needs and constraints or other particular circumstances of any individual Shareholder.

As different Shareholders would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

7 ACTION TO BE TAKEN BY THE SHAREHOLDERS

7.1 Shareholders who wish to accept the Offer

Shareholders who wish to accept the Offer should refer to Appendix 2 to the Offer Document which sets out the procedures for acceptance of the Offer.

Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore time) on 12 October 2017.

7.2 Shareholders who do not wish to accept the Offer

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

8 OVERSEAS SHAREHOLDERS

8.1 Availability of the Offer to Overseas Shareholders

Overseas Shareholders should refer to paragraph 14 of the Offer Document, which is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"***14. OVERSEAS SHAREHOLDERS***

14.1 ***Overseas Jurisdictions.*** *This Offer Document does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable law.*

The release, publication or distribution of this Offer Document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document is released, published or distributed should inform themselves about and observe such restrictions.

*Copies of this Offer Document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer will violate the laws of that jurisdiction ("**Restricted Jurisdiction**") and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

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

14.2 ***Overseas Shareholders.*** *The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions.*

For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom the Offer Document and the relevant Acceptance Forms may not be sent.

It is the responsibility of Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant overseas jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, CDP, the Registrar, the Receiving Agent and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, CDP, the Registrar, the Receiving Agent and/or any person acting on their behalf may be required to pay. In accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror that he is in full observance of the laws of the relevant jurisdiction in that connection and that he is in full compliance with all necessary formalities or legal requirements.

Any Overseas Shareholder who is in doubt about his position should consult his professional adviser in the relevant jurisdiction.

14.3 ***Copies of the Offer Document and the relevant Acceptance Forms.*** *Where there are potential restrictions on sending this Offer Document and the relevant Acceptance Forms to any overseas jurisdiction, the Offeror reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of this Offer Document, the relevant Acceptance Forms and any related documents during normal business hours and up*

to the Closing Date, from the office of the Receiving Agent, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror c/o the Receiving Agent at the above-stated address to request for the Offer Document, the relevant Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.

14.4 ***Notice.*** *The Offeror reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.*"

8.2 Copies of Circular

This Circular may not be sent to any Overseas Shareholder due to potential restrictions on sending such documents to the relevant overseas jurisdictions. Any affected Overseas Shareholder may, nonetheless, obtain copies of this Circular during normal business hours and up to the Closing Date, from the registered office of the Company at 298 Tiong Bahru Road #11-03 Central Plaza Singapore 168730 or make a request to the Company for this Circular to be sent to an address in Singapore by ordinary post at his own risk. The last date for despatch in respect of such request shall be the date falling three (3) Market Days prior to the Closing Date.

9 INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

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

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who accept the Offer will receive the payment for their Shares in their respective CPF investment accounts and SRS investment accounts.

10 CONSENT

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

11 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 298 Tiong Bahru Road #11-03 Central Plaza Singapore 168730 during normal business hours for the period during which the Offer remains open for acceptance:

(a) the Constitution of the Company;

(b) the annual reports of the Company for FY2014, FY2015 and FY2016;

(c) the IFA Letter; and

(d) the letters of consent from the IFA as set out in paragraph 10 of this Circular.

12 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of this Circular) confirm that they have taken all reasonable care and have made all reasonable enquiries to ensure that, to the best of their knowledge and after due and careful consideration, the facts stated and the opinions expressed herein (other than those relating to the Offeror and those set out in the IFA Letter) are fair and accurate and that no material facts have been omitted from this Circular which would make any statement in this Circular misleading, and they jointly and severally accept full responsibility accordingly.

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

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

13 ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this Circular which form part of this Circular.

Yours faithfully
For and on behalf of the Board of Directors of
BLUMONT GROUP LTD.

Ng Kim Huatt
Executive Director
28 September 2017

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

LETTER FROM ASIAN CORPORATE ADVISORS PTE. LTD. TO THE INDEPENDENT DIRECTORS OF BLUMONT GROUP LTD.

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 (as hereinafter defined)
Blumont Group Ltd.
298 Tiong Bahru Road
#11-03 Central Plaza
Singapore 168730

28 September 2017

MANDATORY UNCONDITIONAL CASH OFFER (THE "OFFER") BY ULTIMATE HORIZON PTE. LTD. (THE "OFFEROR") TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF BLUMONT GROUP LTD. ("BLUMONT" OR THE "COMPANY") OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR

*Unless otherwise defined or where the context otherwise requires, all terms used herein shall have the same meanings as defined in the circular dated 28 September 2017 (the "**Circular**") issued by the Company.*

1. INTRODUCTION

On 24 August 2017 (the "**Announcement Date**"), the Offeror announced that it had on the same day acquired an aggregate of 22,011,537,185 issued and paid-up ordinary shares in the capital of the Company ("**Shares**") at an aggregate consideration of S$4,000,000 (or approximately S$0.00018172 per Share) (the "**Acquisition**"), representing approximately 69.56% of the total number of Shares. As a consequence of the Acquisition and in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**"), the Offeror is required to make the Offer for all the Shares other than those already owned, controlled or agreed to be acquired by the Offeror ("**Offer Shares**").

On 14 September 2017, the Offeror announced that the offer document dated 14 September 2017 issued by the Offeror ("**Offer Document**"), setting out, *inter alia*, the terms and conditions of the Offer has been despatched to the shareholders of the Company ("**Shareholders**").

Asian Corporate Advisors Pte. Ltd. ("**ACA**"), has been appointed as the independent financial adviser ("**IFA**") to advise the directors of the Company ("**Directors**"), who are considered as independent for the purpose of making a recommendation to Shareholders in relation to the Offer (the "**Independent Directors**"). We note from the Circular that all the Directors are considered independent for the purposes of making a recommendation to Shareholders in respect of the Offer. They are namely Ng Kim Huatt, Calvin Lim Huan Kim, Tan Gim Kang, Arran, Aris Muhammad Rizal and Alan Chin Yu.

This letter ("**Letter**") and any other document, which may be issued by ACA, in respect of the Offer for the purpose of revising, amending or supplementing or updating (as the case may be) and setting out, *inter alia*, our views and evaluation of the financial terms of the Offer and our recommendations thereon, will form part of the Circular providing, *inter alia*, details of the Offer and the recommendations of the Independent Directors with regard to the Offer. Unless otherwise defined or the context otherwise requires, all terms defined in the Offer shall have the same meaning ascribed herein.

2. TERMS OF REFERENCE

ACA has been appointed to advise the Independent Directors on the financial terms of the Offer and whether the Shareholders should accept or reject the Offer. We do not warrant the merits of the Offer

other than to form a view, for the purposes of Rule 7.1 and 24.1 (b) of the Code, as to whether the financial terms of the Offer are fair and reasonable. We have confined our evaluation strictly and solely on the financial terms of the Offer and have not taken into account the commercial risks and/or merits (if any) of the Offer or their strategic merits or the future prospects of the Company or the Company and its subsidiaries ("**Group**") including, *inter alia* the contracts that the Group has embarked upon or are about to embark upon or the comparison with other deals involving the Shares or the timing or the time extended for the Offer. Such evaluation or comment remains the responsibility of the Directors and the management of the Company ("**Management**") although we may draw up on 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. We do not express any opinion on the relative merits of the Offer as compared to any other alternative transaction. We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Offer Shares or assets or businesses of the Group. In addition, we do not express any views or opinions on the legality of the Offer or all other matters pertaining to the Offer or documents for the Offer (the Circular and the Offer Document), *inter alia*, the mechanism or processes of acceptances, its eligibility or validity or other alternatives (if any) or the sufficiency of information or any undertakings provided. Our scope does not include determining the independence of the Independent Directors for the purpose of making recommendation in respect of the Offer.

We note from the Circular that the Directors, who are considered to be independent for the purposes of making a recommendation to Shareholders in respect of the Offer, are namely Ng Kim Huatt, Calvin Lim Huan Kim, Tan Gim Kang, Arran, Aris Muhammad Rizal and Alan Chin Yu. The Directors are aware that ACA had acted as the independent financial adviser for the whitewash resolution in relation to the allotment and issuance of new Shares to Wintercrest Advisors LLC ("**Wintercrest**") pursuant to the settlement agreement dated 7 April 2016 ("**Settlement Agreement**") and is the current continuing sponsor for Chaswood Resources Holdings Ltd. ("**Chaswood**"), wherein the Company holds an equity interest of approximately 5.32%, and are satisfied with regards to ACA's independence.

In the course of our evaluation, we have held discussions with Directors and Management regarding their assessment of the rationale for the Offer and have examined publicly available information collated by us, including the unaudited and audited financial statements as well as information, both written and verbal, provided to us by the Directors and Management and professional advisers of the Company, including its consultants or advisers, solicitors, auditors and valuers (where applicable). We have not independently verified such information but have made such reasonable enquiries and used our judgement as we deemed necessary on the reasonableness of 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, completeness or adequacy of such information or the manner it has been classified or presented.

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 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, completeness or adequacy of such information.

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 14 September 2017 (the "**Latest Practicable Date**"), and therefore does not reflect expected financial performance after the six (6) months financial period ended 30 June 2017 ("**HY2017**") for the Group. Accordingly, we have not commented on or assessed the expected future performance or prospects of the Company or the Group or the Shares, irrespective of the outcome of the Offer. Our evaluation and opinion and recommendation do not and cannot take into account future or prospective performance and neither are we responsible for it or for any updates pursuant to any announcements subsequent to the issuance of this Letter or the timing of the Offer or the dates for issuance of the Circular. Accordingly, any estimates or analysis or evaluation of the merits of the Company or the Group or the Shares in this Letter are necessarily limited and we do not warrant or represent that it is complete or in entirety.

Our scope does not require us and we have not made any independent evaluation of the Group (including without limitation, market value or economic potential) or appraisal of the Group's assets and liabilities

(including without limitation, financial assets, development property, asset(s) held for sale and property and equipment) or contracts entered into or to be entered into by the Group (where applicable) 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 (where applicable) by the Group. The Directors have confirmed that for the internal accounting reference purpose, they have commissioned two independent valuers ("**Independent Valuers**") to determine the market value of the Group's development property, selected asset(s) held for sale, and selected property and equipment of the Group as at 24 August 2017 (the "**Valuation Date**"). As the valuation reports issued by the Independent Valuers are not prepared specifically for the purpose of and in connection with the Offer, the valuation reports will not be made publicly available. Nevertheless, the Directors have confirmed that each of the Independent Valuers has given consent for references to and/or use of the market value of the Group's development property, selected asset(s) held for sale or the fair value of the selected property and equipment of the Group, by the Directors who have the liberty to disclose such valuation to us in connection with their bases for their representations. With respect to such valuation, we are not experts in the evaluation or appraisal of assets and liabilities (including without limitation, financial assets, development property, asset(s) held for sale and property and equipment) including, *inter alia*, the contracts or agreements that the Group has embarked upon or are about to embark upon (where applicable) 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 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 HY2017 and the audited financial statements for the Group for the financial year ended 31 December 2016 ("**FY2016**") 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 HY2017 for the Group and the audited financial statements for the Group for FY2016 to be false or misleading in any material aspect. In addition, the Directors have 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 to be untrue, inaccurate, incomplete or misleading.

The Directors further confirmed that, to the best of their knowledge, as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, the audited financial statements for the Group for FY2016 and the unaudited financial statements for the Group for HY2017, there has been no material changes to the Group's assets and liabilities, financial position, condition and performance.

In the course of our evaluation, we also note that there is a disclaimer of opinion expressed by the independent auditors of the Company (the "**Independent Auditors**") named in the annual report of the Company for FY2016 ("**AR2016**") pertaining to, *inter alia*, appropriateness of going concern assumption. The details of the disclaimer of opinion expressed by the Independent Auditors are set out in paragraph 7.1(vii) of this Letter and can be found in pages 89-90 of the AR2016.

Our opinion in this Letter is based on economic, market, industry, monetary and other conditions (if applicable), and the information provided to us, as at 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*, includes general as well as company-specific or industry-specific conditions or sentiments or factors. Independent Directors should note that our evaluation is based solely on publicly available information and such other information provided by the Company or its Directors or Management as well as the economic and market conditions prevailing as at the Latest Practicable Date, and therefore does not reflect expected financial performance after HY2017 for the Group or developments (both macro and company-specific) and that these factors do and will necessarily affect the evaluation of the Offer and our recommendation or opinion or views.

The Directors have collectively and severally accepted full responsibility, as set out in the Circular, for the truth, accuracy and completeness of all information and representations as provided by the Directors and contained herein. The Directors have confirmed to ACA that to the best of their knowledge and belief, all material information available to them and the Management in connection with the Company, the Group, the Offer or the Offeror or such other parties has been disclosed to ACA in its entirety 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 financial performance or expected future performance or future growth prospects or restructuring plans (if applicable) 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 or this Letter 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.

The scope of our appointment does not require us to express, and we do not express, a view on the future growth prospects of the Company or the Group including *inter alia*, the contracts that the Group has embarked on or are about to embark upon. We are therefore not expressing any view herein as to the returns that the Shareholders may have owning the Shares upon completion or close of the Offer or on the future financial performance of the Company or the Group or the plans (if any) that the Offeror may have for the Company. In rendering our advice 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 or particular circumstances of any individual Shareholder. As each Shareholder would have different investment profiles and objectives, horizons and risk profiles, we would advise Independent Directors to recommend that any Shareholder, who may require advice in the context of his specific investment objective(s), investment portfolio(s), including his investment in the Company, should 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 Offer or the Company or the Group or the Shares which we used or may have used may differ from the relative emphasis accorded by any individual Shareholder or Independent Director, and as such Independent Directors are advised to highlight to 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 of the Offer or its recommendation, following the date of the issue of this Letter.

Accordingly, our Letter or opinion or views or recommendation should not be used or relied by anyone for any other purposes and should only be used by the Independent Directors, subject to our terms of reference and the contents of this Letter as one of the basis for their opinions or views or recommendation. In addition, any references to our Letter as one of the basis for their opinion, 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 the terms of reference for this Letter.

3. TERMS AND CONDITIONS OF THE OFFER

The principal terms and conditions of the Offer, as extracted from paragraphs 2 to 5 of the Offer Document, are set out in italics below. We recommend that Shareholders read the terms and conditions contained therein carefully.

"2. THE OFFER

2.1 ***Offer.*** *The Offeror hereby makes the Offer to acquire all the Offer Shares (as defined below) in accordance with Rule 14 of the Code and on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT.*

2.2 ***Offer Shares***

*(a) The Offer is extended to all the Shares other than those already owned, controlled or agreed to be acquired by the Offeror (the "**Offer Shares**").*

*(b) For the avoidance of doubt, the Offer is extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by the Concert Parties. For the purpose of the Offer, the expression "**Offer Shares**" shall include such Shares.*

2.3 ***Offer Price.*** *The consideration for each Offer Share is as follows:*

For each Offer Share: S$0.000182 in cash (the "Offer Price")

The Offer Price is final. The Offeror will not revise the Offer Price.

2.4 ***No Encumbrances.*** *The Offer Shares are to be acquired (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any), the Distribution Record Date for which falls on or after the Offer Announcement Date.*

2.5 ***Adjustments for Distributions.*** *Without prejudice to the generality of the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distributions, the Distribution Record Date for which falls on or after the Offer Announcement Date.* ***In the event of any such Distribution, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer shall be reduced by an amount which is equal to the amount of such Distribution as follows,*** *depending on when the Offer Settlement Date falls****:***

(a) *if the Offer Settlement Date falls on or before the Distribution Record Date, the Offeror will pay the relevant accepting Shareholders the unadjusted Offer Price of S$0.000182 in cash for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and*

(b) *if the Offer Settlement Date falls after the Distribution Record Date, the Offer Price payable for such Offer Shares tendered in acceptance shall be reduced by an amount which is equal to the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Company.*

2.6 ***Unconditional Offer.*** *Following the completion of the Acquisition, the Offeror and its Concert Parties hold more than 50% of the voting rights attributable to the Shares (excluding any Shares held in treasury). As such, the Offer is unconditional in all respects.*

2.7 ***Warranty.*** *A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to all Distributions (if any), the Distribution Record Date for which falls on or after the Offer Announcement Date.*

3. DURATION OF THE OFFER

The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

The Offer will close at 5.30 p.m. on 12 October 2017, being the Closing Date. The Offeror does not intend to extend the Offer beyond 5.30 p.m. on 12 October 2017 and the Offer will not be open for acceptances beyond 5.30 p.m. on 12 October 2017. The Offeror does not intend to revise the terms of the Offer.

Accordingly, notice is hereby given that the Offer will not be extended, revised or be open for acceptance beyond 5.30 p.m. (Singapore time) on 12 October 2017, save that such notice shall not be capable of being enforced in a competitive situation.

4. FURTHER DETAILS OF THE OFFER

Appendix 1 to this Offer Document sets out further details on:

(a) the settlement of the consideration for the Offer;

(b) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and

(c) the right of withdrawal of acceptances of the Offer.

5. PROCEDURES FOR ACCEPTANCE

Appendix 2 to this Offer Document sets out the procedures for acceptance of the Offer by a Shareholder."

4. INFORMATION ON THE OFFEROR

Information on the Offeror is set out in paragraph 6 of the Offer Document, selected extracts of which are reproduced and set out in italics below. Shareholders should also refer to Appendix 3 of the Offer Document for additional information on the Offeror. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"6. INFORMATION ON THE OFFEROR

6.1 ***The Offeror.*** *The Offeror was incorporated in Singapore on 3 August 2017 as an investment holding company. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S$1,000 comprising 1,000 ordinary shares. The Offeror's registered address is at 8 Robinson Road, #03-00 ASO Building, Singapore 048544.*

The sole shareholder of the Offeror is Siaw Lu Howe, who is a Malaysian businessman engaged in hospitality, real estate and mining services business primarily located in the state of Sarawak Malaysia. The directors of the Offeror are Siaw Lu Howe and Kek Wei Na.

6.2 ***Additional Information.*** *Additional information on the Offeror is set out in Appendix 3 to this Offer Document."*

5. INFORMATION ON THE COMPANY

Information and additional general information on the Company are set out in paragraph 7 and Appendix 4 of the Offer Document.

6. THE RATIONALE FOR THE OFFER, INTENTION OF THE OFFEROR AND THE LISTING STATUS

The rationale for the Offer, the Offeror's intentions relating to the Company and the listing status and compulsory acquisition are stated in paragraphs 8 to 10 of the Offer Document respectively and had been reproduced in italics below. All terms and expressions used in the extract below shall have the same meaning as those defined in the Offer Document, unless otherwise stated.

"8. THE RATIONALE FOR THE OFFER

As a result of the Acquisition as described in Section 1.1 above, the Offeror owned, controlled or agreed to acquire not less than 30% of the total number of Shares as at the Offer Announcement Date. Accordingly, the Offer is being made by the Offeror in compliance with the requirements of the Code.

9. THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY

The Offeror intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced. As part of the review, the Offeror may undertake an assessment of the human resource

requirements of the Group in line with the future corporate direction of the Group. Additionally, the Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interests of the Group.

Save as disclosed above, the Offeror presently has no intentions to (a) introduce any major changes to the existing business of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of existing employees of the Group, in each case, other than in the ordinary course of business.

10. LISTING STATUS AND COMPLUSORY ACQUISITION

10.1 ***Listing Status and Trading Suspension.*** *Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its Concert Parties to above 90% of the total number of Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until it is satisfied that at least 10% of the total number of Shares (excluding any Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.*

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

It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. In the event that the percentage of Shares (excluding any Shares held in treasury) held in public hands falls below 10% and the SGX-ST suspends trading of the Shares, the Offeror will assess the options available at such time, including but not limited to carrying out a compliance placement exercise after the completion of the Offer.

10.2 ***Compulsory Acquisition.*** *Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of issued Shares as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer at a price equal to the Offer Price. In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares as at the close of the Offer, the Shareholders who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price. Such Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.*

As stated above, the Offeror intends to maintain the listing status of the Company and presently has no intention of exercising its rights of compulsory acquisition under Section 215 (1) of the Companies Act, should it be available to it. "

7. FINANCIAL ASSESSMENT OF THE OFFER

In assessing the terms of the Offer from a financial point of view, 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) historical financial performance and position of the Group;

(ii) the Group's net asset value ("**NAV**") and net tangible assets ("**NTA**");

(iii) relative valuation analysis;

(iv) market quotation and trading activities for the Shares;

(v) comparisons with recently completed non-privatisation mandatory takeover transactions of companies listed on the SGX-ST; and

(vi) such other relevant considerations which have significant bearing on our assessment.

These factors are discussed in detailed in the ensuing sections.

In our assessment of the Offer, we have applied certain valuation ratios for the purposes of evaluating the fairness and reasonableness of the Offer Price. A brief description of such valuation ratios are as follows:–

(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 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 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.

7.1. Historical financial performance and position of the Group

The following are extracts from the audited consolidated financial statements of the Group for FY2014, FY2015, FY2016 and the unaudited consolidated financial statements for HY2016 and HY2017:

Summary of income statements

Figures in S$'000[1]	Unaudited HY2017	Unaudited HY2016	Audited FY2016	Audited FY2015	Audited FY2014
Revenue	1,730	1,843	3,708	3,640	3,598
Other (losses)/gains - net	(1,744)	1,643	8,736	(8,434)	(6,931)
Total expenses	(6,137)	(13,735)	(6,617)	(23,721)	(62,406)
(Loss)/Profit before tax	(6,151)	(10,249)	5,827	(28,515)	(65,739)
(Loss)/Profit after tax	(6,127)	(10,241)	5,420	(28,964)	(66,236)
(Loss)/Profit after tax attributable to shareholders	(6,284)	(10,609)	4,957	(29,561)	(66,856)

Summary of statements of financial position

Figures in S$'000[1]	Unaudited HY2017	Audited FY2016	Audited FY2015	Audited FY2014
Non-current assets	4,898	4,971	20,582	25,825
Current assets	8,153	7,754	11,134	19,143
Non-current liabilities	1,733	1,350	700	663
Current liabilities	3,880	3,538	45,109	35,608
Total borrowings	1,112	84	27,665	28,325
Shareholders' equity	4,600	5,097	(18,169)	4,515
Net working capital	4,273	4,216	(33,975)	(16,465)

Summary of statements of cash flows

Figures in S$'000[1]	Unaudited HY2017	Unaudited HY2016	Audited FY2016	Audited FY2015	Audited FY2014
Net cash (used in)/generated from operating activities	(326)	922	(561)	(1,764)	(10,509)
Net cash used in investing activities	(357)	(721)	(554)	(2,265)	(10,743)
Net cash generated from/(used in) financing activities	1,027	(362)	(413)	2,166	22,614
Cash and cash equivalents at end of year/period	840	1,859	498	2,019	3,956

Note:

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

We note the following:-

(i) Financial performance for FY2016, FY2015 and FY2014

The Group's revenue for FY2014 to FY2016 remain generally stable and were derived from two principal segments, namely sterilisation (whose activities include the provision of contract sterilisation and polymerisation services to food packaging, medical devices, cosmetics raw materials, and consumers products) and property (whose activities include development of properties for sale and long-term holding of properties for rental and related income). In FY2016, the Group's revenue increased by approximately S$68 thousand (or 1.9%) from approximately S$3.6 million to approximately S$3.7 million.

For FY2014 to FY2016, the Group's sterilisation activities was the largest contributor to the Group's revenue contributing approximately 94.4% (or approximately S$3.4 million) in FY2014, approximately 98.6% (or approximately S$3.6 million) in FY2015 and approximately 98.9% (or approximately S$3.7 million) in FY2016. The second largest contributor to the Group's revenue was the Group's property business, which contributed approximately 5.6% (or approximately S$0.2 million) in FY2014, approximately 1.4% (or approximately S$49 thousand) in FY2015 and approximately 1.1% (or approximately S$39 thousand) in FY2016. We understand from Management that whilst there was no revenue derived from the sale of development property in FY2015 and FY2016, the revenue of approximately S$49 thousand for the said segment in FY2015 was attributed to rental income (approximately S$25 thousand) and property management fees (approximately S$24 thousand) whilst revenue of approximately S$39 thousand for the said segment in FY2016 was attributed to rental income (approximately S$14 thousand) and property management fees (approximately S$25 thousand). The revenue of approximately S$0.2 million from the property segment in FY2014 was attributed to sale of development properties (approximately S$153 thousand), rental income (approximately S$28 thousand) and property management fees (approximately S$19 thousand).

The Group reported net other gains of approximately S$8.7 million in FY2016. These comprises mainly: (1) disposal of financial assets, which are available-for-sale, of approximately S$6.3 million; (2) disposal of investment in an associate of approximately S$1.8 million during FY2016 in relation to the settlement agreement in the mineral and energy resources business; and (3) net currency exchange gain of approximately S$1.0 million, which were partially offset by losses arising from the Group's investment holding of approximately S$0.6 million, and fair value loss on assets held for sale/investment properties of approximately S$0.2 million.

The Group reported net other losses of approximately S$8.4 million and S$6.9 million in FY2015 and FY2014 respectively. These losses were mainly due to the fair value loss and loss on disposal of the Group's portfolio of equity investments in companies listed in the Singapore Exchange and Bursa Malaysia relating to the investment holding segment.

The Group's total expenses amounted to approximately S$6.6 million in FY2016. These comprises mainly employee benefits of approximately S$1.8 million, dilution loss on investment in an associate of approximately S$1.4 million, share of loss of an associate of approximately S$1.1 million, raw materials and consumables used of approximately S$0.1 million and others of approximately S$2.2 million (being mainly of legal, professional and consultancy fees of approximately S$0.6 million, depreciation of property and equipment of approximately S$0.5 million, upkeep expenses of approximately S$0.3 million, withholding tax expenses of approximately S$0.2 million and rental expenses – operating leases of approximately S$0.2 million).

For FY2015, the Group's total expenses amounted to approximately S$23.7 million comprising impairment loss on financial assets, available-for-sale, of approximately S$5.9 million, finance costs of approximately S$4.2 million, employee benefits of approximately S$2.2 million, share of loss of an associate of approximately S$1.7 million, impairment loss of an associate of approximately S$0.2 million, raw materials and consumables of approximately S$0.1 million, dilution gain on investment in an associate of approximately S$0.2 million, and others of approximately S$9.6 million (consisted mainly of legal, professional and consultancy fees of approximately S$5.8 million, withholding tax expense of approximately S$1.5 million, allowance for impairment loss on other receivables of approximately S$0.7 million, marketing and advertising of approximately S$0.4 million and depreciation of property and equipment of approximately S$0.4 million).

For FY2014, the Group's total expenses amounted to approximately S$62.4 million comprising re-measurement loss on acquisition of investment in an associate of approximately S$21.0 million, impairment loss on financial assets, available-for-sale of approximately S$18.6 million, finance costs of approximately S$5.1 million, impairment loss on investment in an associate of approximately S$4.4 million, employee benefits of approximately S$2.0 million, share of loss of an associate of approximately S$1.5 million, raw materials and consumables of approximately S$0.1 million, cost of development property sold of approximately S$0.1 million and others of approximately S$9.6 million (consisted mainly of legal, professional and consultancy fees of approximately S$7.0 million, allowance for impairment loss on other receivables of approximately S$0.7 million, and depreciation of property and equipment of approximately S$0.4 million).

The Group recorded a loss after tax attributable to the owners of the Company of approximately S$29.6 million and S$66.9 million for FY2015 and FY2014 respectively but recorded a profit after tax attributable to the owners of the Company of approximately S$5.0 million for FY2016.

(ii) Financial performance for HY2017 vs. HY2016

The Group's revenue in HY2017 declined by approximately 6.1% to approximately S$1.7 million. The Group reported net other losses of approximately S$1.7 million in HY2017 as compared to net other gain of approximately S$1.6 million in HY2016. The net other losses of approximately S$1.7 million in HY2017 was mainly attributed to loss on strike-off of a dormant subsidiary of approximately S$1.9 million, which was partially offset by net fair value gain on equity investment in companies listed on the SGX-ST of approximately S$0.05 million and net currency exchange gain of approximately S$0.05 million.

The Group's total expenses decreased from approximately S$13.7 million in HY2016 to approximately S$6.1 million in HY2017. The total expenses of approximately S$6.1 million in HY2017 comprised mainly employee benefits of approximately S$5.0 million (mainly due to Shares allotted and issued pursuant to Blumont performance share plan by the Company in the second quarter of 2017) and other expenses of approximately S$1.1 million. Other expenses declined from approximately S$4.7 million in HY2016 to approximately S$1.1 million in HY2017 mainly attributable to the lower administration and professional fees in relation to loan from Wintercrest ("**Wintercrest Loan**") (which declined by approximately S$2.5 million to approximately S$4 thousand in HY2017), absence of bad debts written off (HY2016: approximately S$0.08 million), lower other professional and consultancy fees (declined by approximately S$0.3 million to approximately S$0.01 million in HY2017) and write-back of provision for withholding tax expenses of approximately S$0.1 million in HY2017.

In view of the repayment of the Wintercrest Loan, the Group's finance costs declined substantially from approximately S$2.5 million in HY2016 to approximately S$1 thousand in HY2017.

The Group recorded loss after tax attributable to the owners of the Company of approximately S$6.3 million in HY2017, which is lower than the loss after tax attributable to the owners of the Company of approximately S$10.6 million in HY2016.

(iii) Assets and liabilities

As at 30 June 2017, the Group's total assets of approximately S$13.1 million comprised non-current assets of approximately S$4.9 million and current assets of approximately S$8.2 million. The Group's non-current assets as at 30 June 2017 mainly comprises of property and equipment of approximately S$4.6 million (being renovations, furniture and fittings, office, computer and other equipment, freehold land and freehold building, cobalt isotope, motor vehicle and construction in-progress) and deferred tax assets of approximately S$0.3 million.

The Group's current assets as at 30 June 2017 mainly comprises of development properties (being leasehold land in Selangor) of approximately S$4.6 million, asset held for sale of approximately S$1.4 million, cash and bank balances of approximately S$0.8 million, trade and other receivables of approximately S$0.6 million, other current assets of approximately S$0.5 million, and financial assets, at fair value through profit and loss, of approximately S$0.2 million.

The Group's total liabilities as at 30 June 2017 amounted to approximately S$5.6 million and comprised mainly trade and other payables of approximately S$3.6 million, borrowings of approximately S$1.1 million (of which approximately S$0.2 million is current), employee compensation of approximately S$0.8 million and current income tax liabilities of approximately S$35 thousand.

(iv) Net working capital

Whilst the Group recorded negative net working capital or net current liabilities of approximately S$16.5 million and S$34.0 million for FY2014 and FY2015 respectively, the Group's net working capital position improved thereafter, subsequently recording positive net working capital of approximately S$4.2 million and approximately S$4.3 million as at 31 December 2016 and 30 June 2017 respectively.

The significant decline in net working capital in FY2014 and FY2015 were mainly due to decrease in current assets arising from impairment and/or fair value losses relating to the financial assets and increase in borrowings (of approximately S$28.3 million as at 31 December 2014 and S$27.6 million as at 31 December 2015) whilst the positive net working capital recorded in FY2016 and HY2017 were mainly due to the repayment and settlement of the Wintercrest Loan and relevant expenses during the financial year in accordance with the Settlement Agreement.

(v) Negative operating cash flow and reliance on financing activities

We note from the Group's consolidated statements of cash flow, that the Group's operating activities have been generally consuming cash in FY2014, FY2015, FY2016 and HY2017 save for HY2016 whereby the Group generated a small positive net cash flow of approximately S$0.9 million from its operating activities in HY2016.

Further we note from the table above that the Group had been relying heavily on cash flow generated from its financing activities to sustain its operations and investment activities, save for FY2016 and HY2016 whereby the Group did not generate net cash inflow from financing activities.

(vi) The Directors further confirmed that, to the best of their knowledge, as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, the audited financial statements for the Group for FY2016 and the unaudited financial statements for the Group for HY2017, there has been no material changes to the Group's assets and liabilities, financial position, condition and performance.

(vii) Disclaimer of opinion in Independent Auditors' Report for FY2016

We note from the AR2016 that the Independent Auditors' report dated 3 April 2017 ("**Independent Auditors' Report**") on the Group's and Company's financial statements for FY2016 contained a disclaimer of opinion relating to, *inter alia,* the appropriateness of going concern assumption. The following paragraphs as set out in italics below are extracted from the Independent Auditors' Report (page 89 to 90 of the AR2016) and note 3(b) to the audited financial statements of the Group for FY2016. We recommend that Independent Directors advise Shareholders to read this section of the AR2016 carefully:-

"***Disclaimer of Opinion***

We do not express an opinion on the consolidated financial statements of the Group and the statement of financial position of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

Appropriateness of Going Concern Assumption

As stated in Note 3(b) to the financial statements, as at 31 December 2016, the Company's current liabilities exceeded its current assets by approximately S$2.9 million. In addition, the Company has received two demand notes from the Inland Revenue Authority of Singapore ("IRAS") on 8 February 2017 to pay the outstanding withholding taxes of S$1.1 million and late payment penalty of S$0.1 million as disclosed in Note 23 to the financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Company and the Group to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business.

The financial statements have been prepared on the assumption that the Company and the Group will continue as going concerns. Management has prepared a cash flow forecast which shows that the Company and the Group will have sufficient cash resources to satisfy their day-to-day operations for the next twelve months from 31 December 2016 and to pay their debts as and when they fall due. The

forecast includes the assumptions disclosed in Note 3(b)(i) to the financial statements. Those assumptions are premised on future events, the outcome of which is inherently uncertain.

In view of the material uncertainties as discussed above, we are unable to obtain sufficient appropriate audit assurance regarding the use of the going concern assumption in the preparation of the financial statements. Accordingly, we are unable to form a view as to the use of the going concern assumption in the preparation of these financial statements.

In the event the Company and the Group are unable to continue in operational existence for the foreseeable future, the Company and the Group may be unable to discharge their liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company and the Group may have to provide for further liabilities which may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to these financial statements."

Note 3(b) to the audited financial statements are reproduced in italics below.

*"**(b) Going Concern Assumption***

For the financial year ended 31 December 2016, the Company's current liabilities exceeded its current assets by approximately S$2.9 million (2015: approximately S$44.2 million). In addition, the Company has received two demand notes from the Inland Revenue Authority of Singapore ("IRAS") on 8 February 2017 to pay the outstanding withholding taxes of S$1.1 million and late payment penalty of S$0.1 million, as disclosed in Note 23.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Company and the Group to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business. Nevertheless, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 31 December 2016 remains appropriate after taking into consideration the following factors:

(i) Management has prepared a cash flow forecast which shows that the Company and the Group will have sufficient cash resources to satisfy their day-to-day operations for the next twelve months from 31 December 2016 and to pay their debts as and when they fall due, which include the following assumptions:

- *IRAS will agree to the Group's request to defer payment of the outstanding withholding taxes for a period of one year and to waive the late payment penalty and interest arising from the non-payment of the outstanding withholding taxes (Note 23);*
- *The Group will successfully sell its condominium unit at Clear Water Residences located in Malaysia valued at approximately S$0.3 million (equivalent to RM0.9 million) as at 31 December 2016 (Note 17); and*
- *The Group will successfully settle the legal suit relating to the sale of the condominium unit at Suasana Sentral Condominium located in Malaysia and collect the balance payment of the sales proceeds of approximately S$1.0 million (equivalent to RM3.0 million) (Notes 17 and 36(c)).*

(ii) Management continues to evaluate various strategies to improve profitability and generate positive cash flows from the Group's current business activities. These strategies include, inter alia, obtaining alternative source of funds and the sale of the Group's other assets.

In the event the Company and the Group are unable to continue in operational existence for the foreseeable future, the Company and the Group may be unable to discharge their liabilities in

the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than the normal course of business and at amounts which could differ from the amounts at which they are currently recorded in the statements of financial position. In addition, the Company and the Group may have to provide for further liabilities which may arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. No such adjustments have been made to these financial statements."

In connection with the sale of Suasana Central Condominium as mentioned above, we note that Raintree Rock Sdn. Bhd. ("**Raintree**"), a wholly owned subsidiary of the Company, has entered into a sale and purchase agreement dated 15 September 2015 (the "**SPA**") with a certain purchaser for the sale of one unit of Suasana Sentral Condominium for a cash consideration of RM3.60 million (approximately S$1.18 million). As announced on 26 April 2016, Raintree had been served with a writ of summons (the "**Writ of Summons**") and statement of claim filed in the High Court of Malaya in Kuala Lumpur (the "**Legal Proceedings**"). The Writ of Summons was filed on behalf of Suresh Kumar ("**SK**"), Vigneswari Gopalan ("**VG**") and Libertare Sdn Bhd (the "**Plaintiffs**") against Raintree, Onesentral Park Sdn Bhd and Pendaftar Hakmilik Tanah Wilayah Persekutuan Kuala Lumpur (the Land Titles Registrar of the Federal Territory of Kuala Lumpur) as the defendants. The Legal Proceedings are in relation to the SPA. The Plaintiffs are seeking, *inter alia*, a declaration that Raintree and the other defendants take steps to effect rectification of the strata title to the property, an order for specific performance by Raintree of the SPA, subject to the Court varying certain terms of the SPA, including the purchase price, or, in lieu of specific performance, a refund of deposits paid by the Plaintiffs, together with liquidated damages of RM600,000 and damages for misrepresentation. The Directors have represented and confirmed that as at the Latest Practicable Date, there has been no update on the Legal Proceedings.

We further note that the results announcement dated 11 August 2017 for the HY2017 contains, *inter alia,* going concern assumption. The following paragraphs as set out in italics below are extracted from the results announcement dated 11 August 2017 (section 19, page 11 and 12). We recommend that Independent Directors advise Shareholders to read this section of the results announcement dated 11 August 2017 carefully:-

*"**19. Going concern assumption***

The Board hereby confirms, to the best of its knowledge and opinion, that the Group can continue as a going concern.

The Board has reviewed the Group's cash flow requirements for the next 12 months and the fundraising initiatives and believe that although uncertainties exist, there are reasonable grounds to believe that the Company will be able to raise sufficient funds to enable the Group to fund its operations in the next 12 months. The basis for making this statement is as follows:

(a) ***Cash inflow from sterilisation business.*** *The Group's sterilisation business is expected to generate approximately S$1.1 million (RP10,224.8 million) of cash inflow to the Group in financial year 2017. The sterilisation business had generated positive cashflows to the Group.*

(b) ***Cash inflow from sale of property.*** *The Group has on 12 July 2017 entered a sales and purchase agreement (the "**Agreement**") to dispose one unit Clear Water Residence in Malaysia which is valued at RM850,000 (approximately S$0.3 million). The Group had received RM300,000 (approximately S$0.1 million) to-date and will receive the remaining within 90 days from date of signing the Agreement.*

(c) ***Cash inflow from sale of Trackplus Land.*** *As announced on 4 December 2015, the Company's 65% indirectly-owned subsidiary, Trackplus Sdn Bhd ("**Trackplus**") entered into a joint venture agreement with Eminent Envisage Sdn Bhd ("**Developer**") on 4 December 2015 ("**JV Agreement**"), pursuant to which Trackplus and the Developer will enter into a joint venture to undertake residential and/or commercial development on a piece of leasehold land located in Selangor measuring approximately 7,863 square meters ("**JV Land**"). Trackplus is the registered and beneficial owner of the JV Land while the Developer will undertake residential and/or commercial development on the JV Land (the "**Project**") subject to all necessary*

approvals from relevant authorities. The Group is currently in the process of obtaining all the necessary approvals from the relevant authorities to develop the JV Land to generate income for the Group. A notable milestone was achieved when the Developer received the Developer Order for the Project on 10 January 2017. The leasehold land was valued at approximately S$9.5 million (RM30.0 million) as at 9 March 2017 based on independent valuer's valuation report. The Group is considering to sell the Trackplus Land if required.

(d) ***Application for deferment and request for instalment repayment plan on withholding tax.*** *The Company has received two demand notes from the Inland Revenue Authority of Singapore ("**IRAS**") on 8 February 2017 to pay the outstanding withholding taxes of S$1.1 million on interest expenses incurred on financing loan from Wintercrest Advisors LLC. A penalty of 5% amounting to S$0.1 million has also been imposed to-date. The Company's tax agent had applied to IRAS on 29 December 2016 to defer and request for instalment repayment plan and was rejected. The Company subsequently appointed a legal advisor to submit a second application for the deferment and request of instalment repayment plan to IRAS on 7 March 2017, and IRAS was not able to accede with the request. Subsequently, Blumont's legal advisor had assist to make an appeal and has the Company received a letter dated 30 June 2017 from IRAS on agreement to waive a portion of the late penalty fee but the withholding tax on interest payment is still fully payable by instalment.*

(e) ***Updates on Legal Proceeding in relation to Raintree Rock Sdn Bhd.*** *On 26 April 2016, Raintree Rock Sdn Bhd ("**Raintree**"), a wholly owned subsidiary of Blumont Group Ltd., had been notified that it had on 22 April 2016, been served with a writ of summons and state of claim filed in the high court of Malaya in Kuala Lumpur to take steps to effect rectification of the strata title of Suasana Sentral Kuala Lumpur condominium (the "**Property**"), an order for specific performance by Raintree, subject to the Court varying certain terms of the Agreement dated 15 September 2015 for the sale of a property in Kuala Lumpur, including the purchase price, or, in lieu of specific performance, a refund of deposits paid by the Plaintiffs, together with liquidated damages of RM600,000 and damages for misrepresentation. The Group is currently seeking legal advice and will, in consultation with its solicitors, take such necessary steps to defend the Legal Proceedings. The Group reserves all its rights on the matter. The Company will disclose any updates or further information on the Legal Proceedings when it is appropriate to do so. Thereafter, the Group will dispose the Property upon settlement of the Legal Proceedings.*

In addition to the above, the Company's management is constantly working on other fund raising initiatives, for which announcements will be made when appropriate."

(viii) Outlook

In the Group's results announcement for HY2017 (section 10), 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:-

"*The performance of the sterilisation segment of the Group has been consistent. Barring any unforeseen circumstances, we do not expect any substantial variation in its performance.*

The Group's investment holding segment including quoted equity investment classified as portfolio of quoted financial assets, available-for-sale, including the portfolio under the mineral and energy resources ties to the changes in the financial market and global economy with uncertainty and volatility in the investment outlook. The mineral and energy resources segment is a highly risky business and requires time, effort, investment and development.

To-date, the following legal proceeding is still pending:

Updates on Legal Proceeding in relation to Raintree Rock Sdn Bhd ("Raintree")

On 26 April 2016, the Company announced via SGXNET that Raintree, a wholly owned subsidiary of Blumont Group Ltd., had been notified that it had on 22 April 2016, been served with a writ of

summons and state of claim filed in the high court of Malaya in Kuala Lumpur to take steps to effect rectification of the strata title to the property, an order for specific performance by Raintree, subject to the Court varying certain terms of the Agreement dated 15 September 2015 for the sale of a property in Kuala Lumpur, including the purchase price, or, in lieu of specific performance, a refund of deposits paid by the Plaintiffs, together with liquidated damages of RM600,000 and damages for misrepresentation.

The Group is currently seeking legal advice and will, in consultation with its solicitors, take such necessary steps to defend the Legal Proceedings. The Group reserves all its rights on the matter. The Company will disclose any updates or further information on the Legal Proceedings when it is appropriate to do so."

7.2. The Group's NAV and NTA Analysis

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 a 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 the hypothetical sale of assets in a non-orderly manner or over a short period of time. In addition, it does not illustrate the values at which assets may actually be realised 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 (where applicable) 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 realised or disposed of.

NAV and NTA of the Group

In assessing the Offer Price of S$0.000182 for each Offer Share, in relation to the NAV and NTA per Share of the Group as at 30 June 2017, we have reviewed the unaudited statement of financial position of the Group as at 30 June 2017 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 balance sheet of the Group as at 30 June 2017 as well as the Circular, 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 such unaudited statement of financial position as at 30 June 2017 in accordance with 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 Latest Practicable Date.

The Directors have also confirmed that 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 Group as at 30 June 2017, save as disclosed in the unaudited financial statements of the Group as at 30 June 2017 and 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, where applicable), 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 30 June 2017 are true and fair. Lastly, the Directors confirmed that, to the best of their knowledge or belief, 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 or misleading in any respect.

Consolidated unaudited balance sheet as at 30 June 2017[(1)]	**S$'000**
Non-Current Assets	
Financial assets, available-for-sale	1
Property and equipment	4,644
Deferred tax assets	253
	4,898
Current Assets	
Cash and bank balances	840
Financial assets, at fair value through profit or loss	187
Trade and other receivables	626
Other current assets	459
Development property	4,624
Assets held for sale	1,417
	8,153
Non-Current Liabilities	
Employee compensation	834
Borrowings	899
	1,733
Current Liabilities	
Trade and other payables	3,632
Borrowings	213
Current income tax liabilities	35
	3,880
NAV including non-controlling interests	**7,438**
Non-controlling interest	2,838
NAV attributable to owners of the Company	**4,600**
Less: Intangible asset	-
NTA attributable to owners of the Company	**4,600**
NAV and/or NTA per Share (S$)	**0.00015**
Offer Price (S$)	0.000182
Premium of Offer Price over the Group's NAV and/or NTA per Share	**25.2%**

Notes:

(1) The figures above are based on the Group's unaudited financial statements for HY2017. Figures and computations above are subject to rounding.

(2) Figures are computed based on the Company's issued Share capital of 31,645,762,183 Shares as at the Latest Practicable Date.

For illustrative purposes only, the Offer Price represents a premium of approximately 25.2% over the Group's NAV and/or NTA per Share, as at 30 June 2017.

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 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 values indicated above and that after payment of all liabilities and obligations, the values or amounts as indicated is realisable or distributable to Shareholders.

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 realised or disposed.

Revalued NAV and NTA of the Group

In our evaluation of the Offer Price, we have also considered whether there are any assets which should be valued at an amount that is materially different from that which are recorded in the unaudited balance sheet of the Group as at 30 June 2017.

The Directors have represented and confirmed that for the internal accounting reference purposes, they had commissioned the Independent Valuers to determine the market value and/or the fair value of the certain designated assets of the Group comprising mainly development property, selected asset(s) held for sale and selected property and equipment (collectively, the "**Appraised Assets**") as at the Valuation Date. Whilst the valuation reports will not be made publicly available, nevertheless, the Directors confirmed that each of the Independent Valuers has given consent for references to and/or use of the market value of the Group's development property and selected asset(s) held for sale as well as the fair value of selected property and equipment of the Group by the Directors.

In addition, the Directors have represented and confirmed that: (i) the Independent Valuers have no present or contemplated interest in the Appraised Assets which are the subject of the valuation report and are acting independent of all parties; (ii) the directors and substantial shareholders of Independent Valuers are not related to the Company and its subsidiaries, the Offeror and its subsidiaries and their concert parties and their respective directors or substantial shareholders, and (iii) the Independent Valuers have no other dealings in relation to the Appraised Assets other than the valuation of the Appraised Assets undertaken for the Company.

Information on the Appraised Assets

The Management has represented that the Appraised Assets with a net book value of approximately S$10.3 million as at 30 June 2017 (as compared to total assets for the Group of approximately S$13.1 million), comprises:

(a) Development property being leasehold land located at Lot No.1719, Section 13, Town of Shah Alam, District of Petaling, Selangor, Malaysia with a net book value of approximately S$4.6 million as at 30 June 2017. It is noted that on 4 December 2015, the Group entered into a joint venture arrangement ("**JVA**") with a third party (the "**Developer**") to undertake a mixed development on a piece of leasehold land held by the Group ("**JV Land**"). The Developer has agreed to pay the Group either 20% of the gross sales value from the project or the sum of RM25.0 million (equivalent to S$8.2 million) guaranteed minimum consideration, whichever is higher (the "**JV Consideration**"). The payment shall be paid by the Developer on or before the project completion date. The JVA also provides that the Developer shall pay the Group an initial sum of RM0.5 million (S$0.2 million) which shall constitute part of the JV Consideration.

    We understand from the Directors and the Management that as at the Latest Practicable Date, the Group is currently in the process of obtaining all the necessary approvals from the relevant authorities to develop the JV Land to generate income for the Group and a notable milestone was achieved when the Developer received the Developer Order for the Project on 10 January 2017. As at the Latest Practicable Date, we understand from Directors that construction of the said development property has not commenced whilst the initial sum of RM0.5 million has been received by the Company. Further as at 4 September 2017, the JVA had lapsed and ceased effectively. We understand from Directors that in view of *inter alia*, the Offer, the Directors had not been able to continue or complete the negotiations

with other prospective partners or announce such other plans for the said project. Accordingly further details on the said JV Land and developments on the matter will only be announced where applicable at the appropriate time. Notwithstanding the lapse of the JVA, the Directors have represented and confirmed that the value of the development property as illustrated below are representative of current status of the land and the development orders obtained to-date.

The Directors confirmed that the lapse of the JVA does not have any material impact on the Group's financial performance, position and condition.

(b) Asset(s) held for sale comprising 1 condominium unit in Kuala Lumpur Malaysia (Suasana Sentral Condominium) with a net book value of approximately S$1.2 million as at 30 June 2017.

As mentioned previously, Raintree, a wholly owned subsidiary of the Company, has entered into the SPA with certain purchaser for the sale of one unit of Suasana Sentral Condominium for a cash consideration of approximately RM3.6 million (or approximately S$1.18 million). As announced on 26 April 2016, Raintree had been served with the Writ of Summons and statement of claim filed in the High Court of Malaya in Kuala Lumpur. The Legal Proceedings are in relation to the SPA. The Plaintiffs are seeking, *inter alia*, a declaration that Raintree and the other defendants take steps to effect rectification of the strata title to the property, an order for specific performance by Raintree of the SPA, subject to the Court varying certain terms of the SPA, including the purchase price, or, in lieu of specific performance, a refund of deposits paid by the Plaintiffs, together with liquidated damages of RM600,000 and damages for misrepresentation. The Directors and the Management have represented that there has been no update on this matter as at the Latest Practicable Date.

(c) Selected property and equipment under PT Rel-ion Sterilization Services (comprising freehold land, freehold building, construction in progress, cobalt isotope, equipment and motor vehicles) with a net book value of approximately S$4.5 million as at 30 June 2017.

The Appraised Assets accounted for approximately 78.9% of the Group's total assets as at 30 June 2017. The Management represented and confirmed that the remaining property and equipment (with a net book value of approximately S$0.2 million as at 30 June 2017), for which no valuation has been commissioned, consist of motor vehicle, renovations, office computer and other equipment. The Directors further confirmed that, to their best knowledge and belief, as at the Latest Practicable Date, on aggregate basis, there are no material differences between the estimated market value of the remaining property and equipment highlighted above for which no valuation was obtained and their respective book value. The Directors confirmed that they are aware of and satisfied with the selection of the Appraised Assets for the valuation exercise.

The Directors have represented and highlighted the following in connection with the valuation of the Appraised Assets:-

Development property and selected asset(s) held for sale

The Directors' bases for their assumptions for the value of the development property and selected asset(s) held for sale are premised *inter-alia*, on the Independent Valuers' basis of valuation for both the development property and the selected asset(s) held for sale, being the market value. This is the amount a property would bring if offered for sale in the open market at the date of valuation under circumstances that meet the requirements of the market value definition. To estimate market value, the Independent Valuer must first estimate the highest and best use, or most probable use. That use may be for the continuation of a property's existing use or some other alternative. We note that the determinations are made from market evidence.

Market value is therefore defined by the Malaysian Valuation Standards (Standard 1.3.1) as follows:-

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

The methods of valuation are the means to arrive at an opinion of value after having ascertained all relevant facts pertaining to the property. For these we note that Directors have relied on the Independent Valuers' adoption of the comparative method for development property and the selected asset(s) held for sale.

In the context of the development property, the comparative method entails comparing the subject property with comparable 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, shape and terrain of land, tenurial interest, restrictions in title (if any), availability of infrastructure and vacant possession and other relevant characteristics.

In the context of the selected assets held for sale, the comparative method entails comparing the subject property with comparable properties which have been sold or are being offered for sale and making adjustments for factors which affect value such as location, accessibility, market conditions, size, shape and terrain of land, tenurial interest, restrictions in title (if any), occupancy status, built-up area, building construction, finishes, services, age and condition of the building and other relevant characteristics.

The Directors further highlighted that in connection with the values for one of the selected assets held for sale, the Independent Valuer was unable to enter the said premise as they were not permitted entry. Therefore, any internal description of the subject property for which valuation is based on the Independent Valuer's external cursory and limited inspection and documented description details given by the Company. Accordingly, the Independent Valuer for the said property was unable to determine whether the details given are correct or unchanged. Thus, for the purposes of ascertainment of market values, the Independent Valuer have assumed that the details are reasonably correct and applicable for the subject property.

The Directors highlighted that the floor area calculations of the building are not conclusive. It is an estimate based on the Independent Valuer's measurements in accordance to the Uniform Method of Measurement of Buildings and/or the measurements as provided within the approved building plans in the Sale and Purchase Agreement and/or subsequent approved extension/renovation plans. The Independent Valuer does not hold any responsibility towards the measurements and/or calculations made in estimating the said floor areas. The services of the qualified building surveyor are of utmost importance in determining the exact areas of the building.

Selected property and equipment under PT Rel-ion Sterilization Services

The basis for valuation relied on by the Directors and used by the Independent Valuer is Fair Value. Fair Value is defined as an estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (Indonesian Valuation Standard 102 point 3.19)

The valuation approach that the Independent Valuer has used in the valuation is cost approach, with the following reason:

- Market data of similar land is still available
- New building cost and depreciation of buildings can be analysed/calculated
- Age and depreciation of buildings and site improvements can be calculated
- Production cost data or a new replacement cost of similar machinery and equipment are still available on the market.

Certain assumptions applied by the Independent Valuer in respect of the selected property and equipment under PT Rel-ion Sterilization Services are as follows:

Physical inspection of land parcels did not cover field re-measurements. For the purpose of the valuation, the Independent Valuer have assumed that dimensions and areas of the property is indeed according to what area stated on the land certificate they received.

The Independent Valuer has taken into account the condition of the property subject to valuation. However, the inspection that the Independent Valuer conducted did not cover structural surveys, nor did it cover any surveys on damages to the building foundation and/or building structures, or parts of the property that are enclosed, not visible, and unreachable, or to the possibilities that cemented concretes may contain high levels of alumina, calcium chloride or other additive material, or termites that have deteriorating characteristics and may affect occupancy risks.

The Independent Valuer inventoried the property, machinery, equipment, and vehicle as a whole completed working device. Although these, includes the main components or spare parts and accessories that support these devices, the assessment does not take into account the value of the parts and accessories separately.

Further limitations of the values relied on include the Independent Valuer's non-receipt of environmental pollution damage report or any information related to the possibility of environmental pollution damage on the subject property. The inspection also did not include surveys to environmental pollution that may have short or long term effects on the value of the property. The Independent Valuer assumed that the property is free from any activities that related to the environmental pollution or any other issues related to the environmental pollution.

The Property Disposal

We would also like to highlight that Raintree has entered into the following agreements for the sale of its property at No. 5–11, Clearwater Residence, Changkat Semantan, Off Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur (the "**Property**") at the selling price of RM850,000 (the "**Property Disposal**") to an individual, Siew Mun Chuang (the "**Purchaser**"): (a) a sale and purchase agreement dated 12 July 2017 with the Purchaser; and (b) a deed of assignment dated 12 July 2017 with the Purchaser. As at the Latest Practicable Date, the Group has received RM325,500 and the remaining RM524,500 is to be paid within 90 days of signing of the formal sale and purchase agreement. Management has confirmed that the value of the Property as recorded under the Group's asset held for sale with a net book value of approximately S$0.2 million as at 30 June 2017 are representative as at the Latest Practicable Date.

Computation of the Revalued NAV and/or NTA

We have not made any independent evaluation or appraisal of the Group's assets and with respect to such valuation, we are not experts in the evaluation or appraisal of the Appraised Assets and the Property and have relied on the opinion of and confirmation from the Directors that, to their best knowledge and belief, as at the Latest Practicable Date, on aggregate basis, there are no material differences between the estimated market value of the remaining property and equipment highlighted above for which no valuation was obtained and their respective book value.

We understand that the Directors having reviewed the valuation reports issued by the Independent Valuers (*inter alia,* the assumptions, methodology used and information relied upon by the Independent Valuers) as a whole and are of the opinion that the assumptions and methodology used by the Independent Valuers are reasonable.

Directors and Management have represented and confirmed the following:-

(i) The aggregate market value of the Group's development property and selected assets held for sale as ascribed by one of the Independent Valuers as at the Valuation Date is approximately RM33.6 million (or equivalent to approximately S$10.8 million based on the exchange rate of S$1:RM3.114496 as at the Latest Practicable Date).

(ii) In connection with the development property, we understand from Directors that the Independent Valuer has considered the development potential of the JV Land as per the latest status of the development *inter alia* the Developer Order which has been obtained. However, they were not commissioned to ascertain the value after development of the JV Land had been completed and ready for occupation and the estimated total cost including carrying charges of completing the development. Directors are satisfied that given *inter alia* the status of development, lapse of JVA and requirements for financing, the ascribed market value of the development land and the bases for such valuation is reasonable.

(iii) The fair value of the Group's selected property and equipment as ascribed by one of the Independent Valuers as at the Valuation Date is approximately IDR68.2 billion (or equivalent to approximately S$6.9 million based on the exchange rate of S$1:IDR9,823 as at the Latest Practicable Date).

Based on the information provided by the Management, we note that the net book value of the Appraised Assets is approximately S$10.3 million as at 30 June 2017.

In addition, we note that the Group holds investments in Singapore and Australia listed equities which are booked under financial assets, at fair value through profit and loss, and financial asset, available for sale, (collectively, the "**Financial Assets**") amounting to approximately S$188 thousand in aggregate as at 30 June 2017. The Directors and the Management represented and confirmed that the market value of the Financial Assets is approximately S$147 thousand as at the Latest Practicable Date.

For illustrative purpose only, the revaluation surplus for the Appraised Assets, revaluation deficit for the Financial Assets and potential gain for the Property Disposal has been calculated and presented in the table below assuming (a) the hypothetical sale of Appraised Assets and Financial Assets at such values as represented by the Directors above; and (b) completion of the Property Disposal as at the Latest Practicable Date. The Directors represented and confirmed that to the best of their knowledge and based on the information made available to them by the Management (save as disclosed above), there is no intention to sell or redeploy the Appraised Assets of the Group and that there will be potential tax liability of approximately S$1.96 million if the Appraised Assets were to be sold at the market value ascribed by the Independent Valuers and upon completion of the Property Disposal.

Revalued NAV ("RNAV") and/or Revalued NTA ("RNTA")	**S$'000**
Aggregate market value and/or fair value of the Appraised Assets (as at the Valuation Date)	17,729
Less: Net book value of the Appraised Assets (as at 30 June 2017)	10,293
Revaluation surplus from the Appraised Assets	**7,436**
Selling price for the Property	273
Less: Net book value of the Property (as at 30 June 2017)	241
Potential gain from the Property Disposal(1)	**32**
Market value of the Financial Assets as at the Latest Practicable Date	147
Less: Net book value of the Financial Assets (as at 30 June 2017)	188
Revaluation deficit from the Financial Assets	**(41)**
NAV of the Group as at 30 June 2017	4,600
Add: Revaluation surplus from the Appraised Assets	7,436
Add: Potential gain from the Property Disposal	32
Add: Revaluation deficit from the Financial Assets	(41)
Less: Potential tax liability(2)	1,960
RNAV and/or RNTA	**10,067**
RNAV and /or RNTA per Share (S$)(3)	**0.00032**
Offer Price (S$)	**0.000182**
Discount of Offer Price from the RNAV and/or RNTA per Share	**(42.8)%**

Notes:

(1) The Management represented that it relates to foreign exchange gain.

(2) The figure for potential tax liability is provided by the Management.

(3) The figures are computed based on the Company's issued Share capital of 31,645,762,183 Shares as at the Latest Practicable Date.

Based on the table above, after taking into account the market value of the Appraised Assets, potential gain from the Property Disposal, revaluation deficit from Financial Assets and potential tax liability, the Group's RNAV and/or RNTA amounted to approximately S$10.1 million (or approximately S$0.00032 per Share). Hence, the Offer Price of S$0.00182 for each Offer Share represents a substantial discount of approximately 42.8% respectively from the Group's RNAV and/or RNTA per Share. The Directors have represented and confirmed than in the event that the revaluation surplus in connection with the JV Land had been computed based on the value after development of the JV Land had been completed and ready for occupation and after taking into account the estimated total cost including carrying charges of completing the development, the revaluation surplus from Appraised Assets would have been higher. Accordingly, the discount as implied by the Offer Price from the Group's RNAV and/or RNTA per Share would have been higher.

We wish to highlight that although the RNAV and/or RNTA shown above include revaluation surplus on the Appraised Assets, Independent Shareholders should note that the Group has not realised the surplus on the Appraised Assets as at the Latest Practicable Date, and that there is no assurance that the revaluation surplus eventually recorded by the Group on the Appraised Assets as described above (in the event they are 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 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 and is 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 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 Company as a going concern nor can it capture or illustrate any value for the Company's goodwill or branding. In addition, it does not illustrate the values at which the assets may actually be realised or disposed.

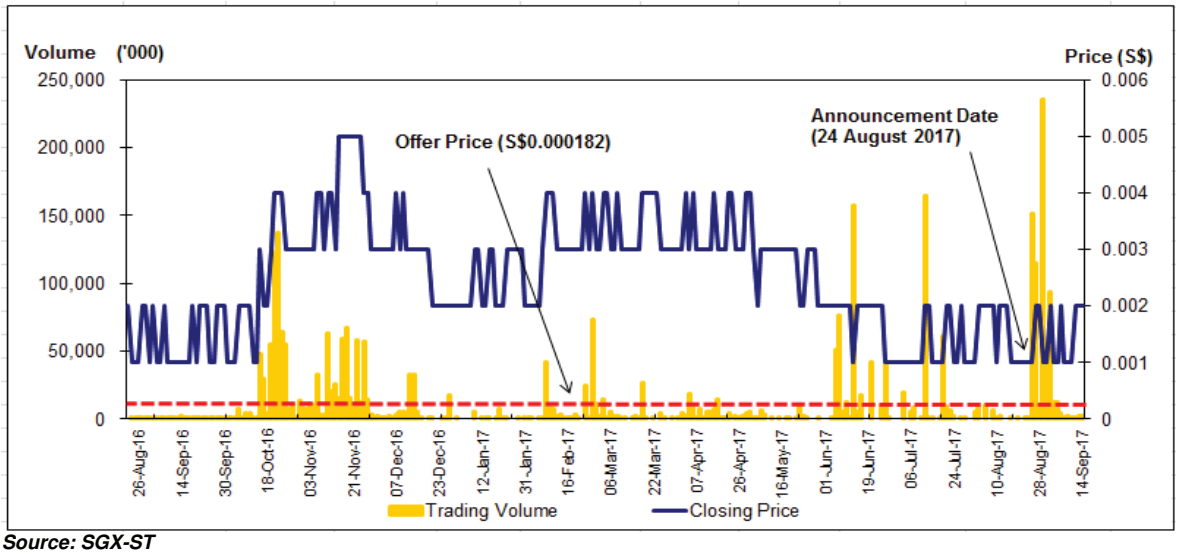
7.3. Relative valuation analysis

In evaluating the Offer Price, we have had discussions with Directors and Management and searched for public listed companies that may be broadly comparable to the Group in terms of the core business. We would like to highlight that as represented and confirmed by Directors and Management, there is no listed sterilisation business which may be broadly comparable to the core businesses of the Group.

As such, we have been unable to provide possible benchmarks or peer analysis for comparative valuation.

7.4. Market quotation and trading activities for the 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 period commencing from 25 August 2016 (being the Market Day 12 months prior to the Announcement Date) and ending on the Latest Practicable Date is set out below:–



Source: SGX-ST

We note that the Company requested for a trading halt on 23 August 2017 (being the last market day on which Shares were traded on the SGX-ST prior to the Announcement Date (the "**Last Trading Day**") after market closed. On 24 August 2017, being the Announcement Date, the Offeror announced the Offer at approximately 1.22 p.m. and the trading halt for Shares were lifted at 3.15 p.m.

For the period commencing from 25 August 2016 and ending on the Last Trading Day prior to the Announcement Date, we note that the Shares were traded for 202 Market Days out of a total 251 Market Days during the period and the closing prices of the Shares were always above the Offer Price. For the said period, the highest and lowest transacted price for the Shares were S$0.006 and S$0.001 respectively. We note that for the period commencing from 24 August 2017, being the Announcement Date till 14 September 2017 (being the Latest Practicable Date), closing prices for the Shares were always higher than the Offer Price and the Share price closed at S$0.002 on the Latest Practicable Date. Shareholders should note that as the minimum trading price for Shares listed on the SGX-ST is S$0.001 and is substantially higher than the Offer Price, the Offer Price will be at substantial discounts from historical prices for Shares traded. Further, as the minimum bid and ask quote (a "**tick**") is S$0.001 each on the SGX-ST quotation system, a one tick movement upwards and downwards may imply an increase or decrease of 100% and 50% respectively for the Shares.

As a general market comparison and observation, the FTSE Straits Times Index ("**FTSE STI**") increased by approximately 13.3% for the period commencing from 25 August 2016 and ending on Last Trading Day immediately preceding the Announcement Date and subsequently declined by approximately 1.2% from 24 August 2017, being the Announcement Date to the Latest Practicable Date. For the same period commencing from 25 August 2016 and ending on the Last Trading Day immediately preceding the Announcement Date, the prices for the Shares remained unchanged and subsequently increased by approximately 100% from 24 August 2017, being the Announcement Date till the Latest Practicable Date. We observed that the Shares appear to have underperformed the FTSE STI for the 12 months period prior to the Announcement Date and outperformed the FTSE STI for the period commencing on the Announcement Date till the Latest Practicable Date. The outperformance of the Shares vis a vis the FTSE STI should be assessed in conjunction with the fact that as the minimum trading price for Shares listed on the SGX-ST is S$0.001 and the minimum bid and ask quote is S$0.001 each on the SGX-ST quotation system, such, one tick movement implies an increase of 100% for the Shares.

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**"), the highest and lowest transacted prices for the Shares and the average number of Shares traded on a daily basis from 25 August 2016 to the Latest Practicable Date are set out below:–

	VWCP per Share (S$)[1]	Discount of the Offer Price from the VWCP per Share (%)	Lowest transacted price (S$)	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 the Announcement Date (24 August 2017)						
Last 12 months	0.0030	(94.0)%	0.001	0.006	9,181	0.16%
Last 6 months	0.0021	(91.4)%	0.001	0.005	8,136	0.14%
Last 3 months	0.0016	(88.5)%	0.001	0.003	11,606	0.20%
Last 1 month	0.0018	(89.9)%	0.001	0.002	1,660	0.03%
Last transacted price on 23 August 2017 (being the Last Trading Day prior to the Announcement Date)[4]	0.0010	(81.8)%	0.001	0.001	1,000	0.02%
For the period commencing on the Announcement Date up to the Latest Practicable Date (14 September 2017)						
Till the Latest Practicable Date	0.0013	(86.3)%	0.001	0.002	45,748	0.78%
Latest Practicable Date[5]	0.0020	(90.9)%	0.002	0.002	2,000	0.03%

***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 number of Shares traded during the period divided by the number of Market Days during that period.

(3) Free float refers to approximately 5,887,524,998 Shares or approximately 18.6% of the issued Shares held by Shareholders, other than the Substantial Shareholders (including the Offeror and its Concert Parties) and Directors as at the Latest Practicable Date.

(4) This represents the last transacted price instead of VWCP for the Shares on 23 August 2017, being the last transacted price for the Shares on the Last Trading Day prior to the Announcement Date. We noted that the Company requested for a trading halt on 23 August 2017 after market closed.

(5) This represents the last transacted price instead of VWCP for the Shares on 14 September 2017, being the Latest Practicable Date.

Based on a general observation of the chart above and after taking into account the summary of the transacted prices for the Shares, we note that the Offer Price represents:

(i) a substantial discount of approximately 81.8% from the last transacted price of S$0.001 per Share on the SGX-ST on 23 August 2017 (being the Last Trading Day prior to the Announcement Date);

(ii) a substantial discount of approximately 94.0%, 91.4%, 88.5% and 89.9% from the VWCP for the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Announcement Date;

(iii) a substantial discount of approximately 86.3% from the VWCP for the Shares for the period commencing on the Announcement Date (after lifting of the trading halt) and ending on the Latest Practicable Date; and

(iv) a substantial discount of approximately 90.9% from the last transacted price of S$0.002 per Share on the SGX-ST on 14 September 2017, being the Latest Practicable Date.

For illustrative purpose only, based on the number of Shares traded on a daily basis during the period commencing from 25 August 2016 and ending on the Latest Practicable Date, we note that:–

(i) from 25 August 2016 to 23 August 2017, being the Last Trading Day prior to the Announcement Date, Shares were traded on 202 Trading Days out of the total 251 Market Days during the period, with the total number of Shares traded being approximately 2.3 billion Shares and an average daily trading volume (based on a total of 251 Market Days) of approximately 9.2 million Shares, which represents approximately 0.03% of the issued Share capital as at the Latest Practicable Date or approximately 0.16% of the issued Share capital held by Shareholders other than the Substantial Shareholders (including the Offeror and its Concert Parties) and the Directors as at the Latest Practicable Date.

(ii) The trading volume for the Shares was exceptionally high (whereby trading volume exceeded 150 million) on: (i) 13 June 2017 whereby approximately 157.3 million Shares representing approximately 0.50% of the issued Share capital as at the Latest Practicable Date were traded. We note that the Company had on the same day announced the grant of share awards of 4.12 billion Shares under the Blumont performance share plan to Directors and employees of the Company and the Group; (ii) 12 July 2017 whereby approximately 164.2 million Shares representing approximately 0.52% of the issued Share capital as at the Latest Practicable Date were traded. We note that the Company had on the same day announced that Raintree, a wholly-owned subsidiary of the Company, had entered into the agreements with the Purchaser in connection with the Property Disposal; and (iii) 29 August 2017 whereby approximately 235.9 million Shares representing approximately 0.75% of the issued Share capital as at the Latest Practicable Date.

(iii) for the period commencing from 24 August 2017, being the Announcement Date till the Latest Practicable Date (both dates inclusive), Shares were traded on 15 Market Days out of the total 15 Market Days during the period, with the total number of Shares traded being approximately 686.2 million Shares and an average daily trading volume of approximately 45.7 million Shares, which represents approximately 0.14% of the issued Share capital as at the Latest Practicable Date or approximately 0.78% of the issued Share capital held by Shareholders other than the Substantial Shareholders (including the Offeror and its Concert Parties) and the Directors as at the Latest Practicable Date.

We note that trading for the Shares is erratic and that the daily average number of Shares traded during the 12 months period analysed prior to the Announcement Date is relatively low as compared to the number of issued Shares held by Shareholders other than the Substantial Shareholders (including the Offeror and its Concert Parties) and the Directors as at the Latest Practicable Date. However, the Shares appear to be relatively active in the context of number of Market Days wherein Shares were traded as the Shares were traded on 202 Trading Days out of the 251 Market Days during the 1 year period prior to 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.

We also note that the number of Shares that were traded on a daily basis for the period commencing on the Announcement Date (after lifting of trading halt) 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 the Announcement Date. For the said period, the Shares were traded on every Market Day and the average number of Shares traded on daily basis represents approximately 0.78% of the number of issued Shares held by Shareholders other than the Substantial Shareholders (including the Offeror and its Concert Parties) and the Directors as at the Latest Practicable Date. The higher average daily trading volume subsequent to the Announcement Date as compared to the 1-year period prior to the Announcement Date may have been underpinned by the Offer. As such, there is no assurance that the observed increase in the average number of Shares traded on a daily basis or the trading activities for the Shares will be maintained or that the transacted prices for the Shares will be the same and at the levels prevailing during the period commencing after the lifting of trading halt on the Announcement Date and ending on the Latest Practicable Date in the event that the Offer closes.

Independent Directors should note that past trading performance for the Shares may not be relied upon as an indication of the fair value of the Company's securities or estimation of future trading prices.

7.5. Comparison with recently completed non-privatisation mandatory takeover transactions listed on the SGX-ST

For the purpose of providing an illustrative guide as to whether the financial terms of the Offer are fair and reasonable, we have compared the financial terms of the Offer with selected recently completed mandatory takeovers for companies listed on SGX-ST, which were announced since January 2015 to the Latest Practicable Date and wherein offerors had indicated their intentions to preserve the listing status of the target companies ("**Selected Non-Privatisation MGO Transactions**").

In making the comparison herein, we wish to highlight that the companies selected and covered herein (the "**Selected Takeover Companies**") are not directly comparable to the Company and may largely differ from the Company in terms of, *inter alia*, size and scale of operations, type and/or composition of business activities and specialisation, asset base, geographical spread, track record, financial performance, capital structure, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. Likewise they involve shares of companies which are quoted, listed and tradeable on the stock exchange. We wish to highlight that other than the criteria mentioned above, the premium or discount that an offeror pays in any particular take-over varies in different specific circumstances depending on, *inter alia*, factors such as the potential synergy the offeror can gain by acquiring the target, the prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence of competing bids for the target company and the existing and desired level of control in the target company.

The data used in the table and the companies listed below have been compiled from publicly available information and serves as a guide as to comparative valuations in connection with takeovers of companies listed on the SGX-ST without regard to their specific industry characteristics or other considerations. Each of the offers in the list of Selected Non-Privatisation MGO Transactions must be reviewed on its own commercial and financial merits. The lists of Selected Takeover Companies involved in the Selected Non-Privatisation MGO Transactions are by no means exhaustive and as such any comparison made only serves as an illustration.

Selected Non-Privatisation MGO Transactions

Selected Takeover Companies	Date of announcement	% shareholding of the offeror and concert parties at the start of transaction [1]	Last Transacted Price prior to announcement (%)	VWAP for 1 Month period prior to announcement (%)	VWAP for 3 Month period prior to announcement (%)	P/NTA[2] (times)
IPC Corporation Ltd	1-Apr-15	30.6	2.4	5.6	6.3	0.7[3]
Jasper Investments Limited	18-Sep-15	80.8	(93.3)	(93.1)	(96.6)	n.m.[4]
Novo Group Ltd.	24-Sep-15	54.9	161.5	188.1	151.9	5.2[5]
Jacks International Limited	6-Oct-15	66.1	90.5	103.5	103.5	1.9
Starland Holdings Limited[6]	14-Oct-15	82.9	38.8	48.4	63.9	0.5[7]
Abundance International Limited	24-Mar-16	62.1	72.4	65.6	67.5	1.3
Ellipsiz Limited	7-Jul-16	34.1	5.6	7.7	9.6	0.7
Halcyon Agri Corporation Limited	18-Jul-16	30.1	24.0[8]	52.6[8]	29.0[8]	3.3[9]
International Healthway Corporation	16-Feb-17	59.1	1.9	14.2	20.6	0.9[10]
China Kangda Food Company Limited	2-May-17	69.2	44.6	38.8	n.a[11]	0.8[12]
CMC Infocomm Limited	7-May-17	74.4	18.8	34.6	30.5	1.7[13]
Cityneon Holdings Limited[14]	12-May-17	52.5	(5.4)	0.6	3.9	3.2[15]
MAXMIMUM		**82.9**	**161.5**	**188.1**	**151.9**	**5.2**
MINIMUM		**30.1**	**(93.3)**	**(93.1)**	**(96.6)**	**0.5**
MEDIAN		**60.6**	**21.4**	**36.7**	**29.0**	**1.3**
SIMPLE AVERAGE		**58.1**	**30.2**	**38.9**	**35.5**	**1.8**
Group	**24-Aug-17**	**69.6**	**(81.8)**	**(87.9)**	**(86.0)**	**0.6[16]**

Source: *SGX-ST announcements, offer documents and circulars to shareholders in relation to the respective transactions*

Notes:

(1) Where applicable, it includes the percentage shareholding of the undertaking shareholder(s) as at the date of the offer document.

(2) P/NTA ratios are based on the offer price and NTA per share for the respective companies.

(3) Based on the revalued NAV per share of S$0.2498 as at 31 December 2014.

(4) Not meaningful as the company was in a net liabilities position as at 30 June 2015.

(5) Based on the revalued NAV per share of US$0.093 as at 31 July 2015.

(6) Based on the pre-conditional offer announcement date as at 14 October 2015.

(7) Based on the revalued NAV per share of S$0.506 as at 30 September 2015.

(8) Based on 8 September 2015 which was the last full market day preceding the date whereby the SGX-ST posed queries to the company in relation to unusual trading activity in shares on 9 September 2015.

(9) Based on NAV per share of S$0.2301 as at 31 March 2016.

(10) Based on revalued NAV per share of S$0.1163 as at 30 September 2016.

(11) No data available from the offer document.

(12) Based on the audited NAV as at 31 December 2016.

(13) Based on the unaudited NTA as at 30 November 2016.

(14) Based on the pre-conditional offer announcement dated 12 May 2017.

(15) Based on the audited NTA as at 31 December 2016.

(16) Based on the RNTA as explained in paragraph 7.2 of this Letter.

For illustrative purposes only, we noted the following from the above table:

(i) The Offer was triggered as the Offeror acquired 22,011,537,185 Shares on 24 August 2017. The Offeror holds approximately 69.6% equity interest in the Company as at the Announcement Date and this is within the range and higher than both the median and simple average percentage of shareholding interest for each of the offeror and parties acting in concert at the start for the relevant Selected Non-Privatisation MGO Transactions. Subsequent to the Announcement Date to the Latest Practicable Date, the Offeror did not make any further announcement in connection with changes in its shareholding in the Company or further purchases of Shares.

(ii) The discount of approximately 81.8%, 87.9% and 86.0% as implied by the Offer Price from the last transacted price for the Shares prior to the Announcement Date, the VWAP for the Shares for 1-month period prior to the Announcement Date and the VWAP for the Share for 3-month period prior to the Announcement Date respectively are within the range, but worse off than the median and the simple average for the Selected Non-Privatisation MGO Transactions, which are at premium. We note that save for Jasper Investment Limited and Cityneon Holdings Limited (for its last transacted prices prior to offer announcement), the offer price for all the Selected Non-Privatisation MGO Transactions are generally at premiums from the respective historical prices (last transacted prices prior to offer announcement, VWAP for 3-month and 1-month periods prior to offer announcement).

(iii) The valuation of the Group in terms of P/NTA as implied by the Offer Price and the Group's RNTA per Share of approximately 0.6 times is within the range, lower than the median and the simple average, and relatively in line with the minimum for the Selected Non-Privatisation MGO Transactions.

In summary, the valuation of the Group as implied by the Offer Price appears to be less favourable than the Selected Non-Privatisation MGO Transactions (save for Jasper Investment Limited) in terms of premium and/or discount over/from historical prices. In addition, in terms of P/NTA multiple, the valuation of the Group as implied by the Offer Price appears to be less favourable as compared to the simple average and the median for the Selected Non-Privatisation MGO Transactions. The Group's P/NTA ratio implied by the Offer Price is in line with the minimum for the Selected Non-Privatisation MGO Transactions.

The valuation of the Group as implied by the Offer Price in terms of both comparisons with the historical prices for the Shares and P/NTA multiple, does not appear to be compelling as compared to the Selected Non-Privatisation MGO Transactions.

8. OTHER RELEVANT CONSIDERATIONS

8.1. Existing shareholding structure of the Company

The shareholding structure of the Company as at the Latest Practicable Date is outlined below:

	Direct Interests	Deemed Interests	Total interests	% of the issued Share Capital as at the Latest Practicable Date[1]
Offeror[2]				
Ultimate Horizon Pte. Ltd.	22,011,537,185	-	22,011,537,185	69.56%
Directors other than the Offeror				
Ng Kim Huatt	2,900,000,000	-	2,900,000,000	9.16%
Calvin Lim Huan Kim	271,700,000	-	271,700,000	0.86%
Tan Gim Kang, Arran	190,000,000	-	190,000,000	0.60%
Aris Muhammad Rizal	135,000,000	-	135,000,000	0.43%
Alan Chin Yu	250,000,000	-	250,000,000	0.79%
Substantial Shareholders (other than the Offeror)				
Nil				
Public Shareholdings			5,887,524,998	18.60%
Total			**31,645,762,183**	**100%**

Notes:

(1) Based on 31,645,762,183 issued Shares as at the Latest Practicable Date.

(2) Subsequent to the Announcement Date to the Latest Practicable Date, the Offeror did not make any further announcement in connection with changes in its shareholding in the Company or further purchases of Shares. As set out in paragraph 1.2 of the Circular, the Offer Document did not mention that there is any party acting in concert with the Offeror who holds Shares.

As at the Announcement Date, the Offeror and its Concert Parties hold approximately 22,011,537,185 Shares or approximately 69.56% of the total issued Shares. Accordingly, the Offeror and its Concert Parties already have statutory control over the Company, which places the Offeror and its Concert Parties in a position to have significant influence, *inter alia,* on the management, operating and financial policies of the Company and ability to pass all ordinary resolution on matters in which the Offeror and its Concert Parties do not have an interest, at general meetings of Shareholders. Furthermore, acceptance of the Offer by Shareholders will further reduce the free float, number of Shares available for trading and Shareholders. This may further exacerbate the illiquidity, volatility and the bid and ask spreads for the Shares and increase transactional or trading cost (other than commissions where applicable). Subsequent to the Announcement Date to the Latest Practicable Date, the Offeror did not make any further announcement in connection with changes in its shareholding in the Company or further purchases of Shares.

We note from paragraph 5.9 of Appendix II of the Circular that none of the Directors intends to accept the Offer.

Shareholders should note that if the percentage of the Shares (excluding any Shares held in treasury) held in public hands falls below 10%, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the listing manual of the SGX-ST ("**Listing Manual**") states that the SGX-ST may allow the Company a period of three

months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be delisted. We note from the Offer Document that it is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. In the event that the percentage of Shares (excluding any Shares held in treasury) held in public hands falls below 10% and the SGX-ST suspends trading of the Shares, the Offeror will assess the options available at such time, including but not limited to carrying out a compliance placement exercise after the completion of the Offer. Thus, the ability of the Company to meet the public float requirements and remain listed after close of the Offer, is possibly alleviated. Furthermore given that approximately 11.84% of the issued Shares will not be tendered for acceptance pursuant to the Directors' statement of intention in the Circular, the possibility of Shareholders relying on a compulsory acquisition accorded for their "protection" pursuant to Section 215(3) of the Act is reduced.

8.2. Dividend track record

The Management confirmed and represented that the Company had not declared any dividends for the last ten (10) financial years (being FY2007 to FY2016). Based on our discussions with Directors, we understand that the Company does not have a fixed dividend policy.

As at the Latest Practicable Date, local commercial banks in Singapore offered gross interest rates of approximately 0.28% per annum to depositors who deposit an amount of up to S$100,000 for a period of 12 months. For illustrative purposes only, a Shareholder who accepts the Offer for 100 million Offer Shares at the Offer Price of S$0.000182 and who decide to reinvest the proceeds in a 12-month period Singapore Dollar fixed deposit with a local commercial bank in Singapore should expect to receive gross interest income of approximately S$50.96 per annum as at the Latest Practicable Date. On the basis that no dividends have been declared with respect to the last few financial years, the Shareholders should therefore expect an improvement or increase in their investment income by accepting the Offer and depositing the proceeds from the Offer in a 12-month Singapore Dollar fixed deposit account with a local commercial bank in Singapore. The dividend paid for any share is dependent, *inter alia*, on the financial performance, growth rates, prospect, and financial performance of the company.

8.3. Comparison with selected issuance of Shares undertaken by the Company

We note that since FY2015 to the Latest Practicable Date, the Company has conducted the following fund raising exercise:-

a) The Company had on 20 January 2015 entered into a placement agreement ("**2015 Placement Agreement**") with one (1) individual subscriber ("**2015 Subscriber**") pursuant to which the Company had agreed to allot and issue 100,000,000 new Shares ("**2015 Placement Shares**") to the 2015 Subscriber at an issue price of S$0.01705 for each 2015 Placement Share ("**Placement Price**"), amounting to an aggregate gross consideration of approximately S$1.7 million, and on the terms and conditions of the 2015 Placement Agreement (the "**2015 Placement**"). The 2015 Placement Price represents a premium of approximately 2.3% over the last transacted price on 20 January 2015, being the announcement date. The 2015 Placement Shares were listed and quoted on the SGX-ST on or about 9 February 2015.

b) The Company had also on 25 June 2015 announced a renounceable non-underwritten rights issue of up to 1,433,074,999 new Shares ("**Rights Shares**") at an issue price of S$0.00675 for each Rights Share ("**Rights Issue Price**") on the basis of one (1) Rights Share for every two (2) existing ordinary Shares ("**2015 Rights Issue**"). As announced on 7 September 2015, the Rights Issue Price was subsequently revised to S$0.002 for each Rights Share, which represents a discount of approximately 66.7% from the last transacted price on 4 September 2015, being the market day immediately prior to the announcement of revision of the 2015 Rights Issue Price. The 2015 Rights Issue was completed on 4 November 2015 and the 2015 Rights Shares were listed on 5 November 2015.

c) The Company announced on 08 April 2016 that it entered into the Settlement Agreement with Wintercrest for the full and final settlement of the outstanding amount owing and payable by the Company under the loan facility agreement of US$29,374,784 (S$41,521,256), based on the

Company's computation at 31 December 2015, through assignment of assets and debts, and allotment and issuance of new Shares ("**Conversion Shares**"). The repayment of the Wintercrest Loans was completed on 25 November 2016 and approximately 23,011,537,185 Conversion Shares were issued and allotted ("**2016 Shares Issue**") at an issue price of S$0.00088 per Conversion Share ("**Issue Price**"). The Issue Price represents a discount of approximately 56.0% from the last transacted price for the Shares on 7 April 2016.

We tabulate below the comparison between the Offer Price with the 2015 Placement, the 2015 Rights Issue and the 2016 Shares Issue.

Transactions	Date of announcement	Placement Price/Rights Issue Price/Issue Price (S$)	Premium/(Discount) over/from last transacted price prior to announcement (%)	P/NTA (times)
2015 Placement	20-Jan-15	0.01705	2.3%	0.8[(1)]
2015 Rights Issue	25-Jun-15	0.00200	(66.7)%	n.m[(2)]
2016 Shares Issue	08-Apr-16	0.00088	(56.0)%[(3)]	n.m[(4)]
Offer	24-Aug-17	0.000182	(81.8)%	0.6 [(5)]

Notes:

(1) The P/NTA is computed based on the Group's unaudited NTA as at 30 September 2014.

(2) The Group recorded negative equity attributable to shareholders of the Company of approximately S$1.1 million as at 31 March 2015. Accordingly, the P/NTA is negative and is not meaningful.

(3) As disclosed in the announcement dated 8 April 2016, the Issue Price represents a discount of approximately 12.0% from the volume weighted average price of S$0.001 for each Share on the SGX-ST on 6 April 2016, being the full market day immediately prior to which the Settlement Agreement was entered into.

(4) The Group recorded negative equity attributable to Shareholders of approximately S$18.2 million as at 31 December 2015. Accordingly, the P/NTA is negative and not meaningful.

(5) Based on the RNTA as explained in paragraph 7.2 of this Letter.

For illustrative purposes only, we note the following:-

(i) In nominal terms, the Placement Price, Rights Issue Price and Issue Price are substantially higher than the Offer Price of S$0.000182 per Offer Share respectively.

(ii) The discount as implied by the Offer Price from the last transacted price for the Shares prior to the Announcement Date is less favourable than the slight premium as implied by the Placement Price over the last transacted price prior to the 2015 Placement, the discounts as implied by the revised Rights Issue Price and the Issue Price from the last transacted price prior to the respective announcement.

(iii) The valuation of the Group for the 2015 Placement in terms of P/NTA (as implied by the Placement Price) of approximately 0.8 times is higher and more favourable as compared to the valuation of the Group for the Offer in terms of P/NTA (as implied by the Offer Price) of approximately 0.6 times, whilst we note that the valuation of the Group for the 2015 Rights Issue and the 2016 Shares Issue in terms of P/NTA are negative and not meaningful.

The above comparison is limited and has to be assessed in the context of the fact that the economic or general market conditions for Shares or the prices for which Shares were traded at the time then prevailing as well as the purpose for the issuance of such instruments may have been different from the Offer. Hence, the comparison between the Offer with the 2015 Placement, the 2015 Rights Issue and the 2016 Shares Issue above is necessarily limited and meant for illustrative purpose.

8.4. The Offer is unconditional

We note from the Offer Document that the Offer is unconditional in all respects.

8.5. No revision of the Offer Price

We note from paragraph 2.3 of the Offer Document that the Offer Price is final and the Offeror will not revise the Offer Price. It is also noted from paragraph 2.5 of the Offer Document that in the event that any dividends, rights and other distributions declared, paid or made by the Company in respect of Shares ("**Distribution**"), the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer shall be reduced by an amount which is equal to the amount of such Distribution as follows, depending on when the date on which the Offer Shares tendered in acceptance by Shareholders pursuant to the Offer are transferred to the Offeror (the "**Offer Settlement Date**") falls: (a) if the Offer Settlement Date falls on or before the date on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such Distributions (the "**Distribution Record Date**"), the Offeror will pay the relevant accepting Shareholders the unadjusted Offer Price of S$0.000182 in cash for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; and (b) if the Offer Settlement Date falls after the Distribution Record Date, the Offer Price payable for such Offer Shares tendered in acceptance shall be reduced by an amount which is equal to the Distribution in respect of such Offer Shares, as the Offeror will not receive such Distribution from the Company.

8.6. Rationale for the Offer and the Offeror's intention for the Company

We note from paragraph 8 of the Offer Document that as a result of the Acquisition, the Offeror owned, controlled or agreed to acquire not less than 30% of the total number of Shares as at the Announcement Date. Accordingly, the Offer is being made by the Offeror in compliance with the requirements of the Code.

As set out in paragraph 9 of the Offer Document, the Offeror intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced. As part of the review, the Offeror may undertake an assessment of the human resource requirements of the Group in line with the future corporate direction of the Group. Additionally, the Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves and which it may regard to be in the interests of the Group. Save as disclosed above, the Offeror presently has no intentions to (a) introduce any major changes to the existing business of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of existing employees of the Group, in each case, other than in the ordinary course of business.

8.7. Alternative takeover offer

The Directors confirmed that (a) no other third parties have approached the Company with an intention to make an offer for the Company; and (b) apart from the Offer being made by the Offeror, no other third party has made a firm offer for the Company as at the Latest Practicable Date.

As at the Announcement Date, the Offeror and its Concert Parties holds approximately 69.56% of the total number of issued Shares and subsequent to the Announcement Date to the Latest Practicable Date, the Offeror did not make any further announcement in connection with changes in its shareholding in the Company or further purchases of Shares. Under such circumstances, any competing offer for Shares is unlikely to be forthcoming without the support of the Offeror in view of its majority control as represented by the percentage of the total number of Shares that the Offeror and its Concert Parties hold as at the Latest Practicable Date. Thus, the possibility of an alternative offer from parties other than the Offeror will be significantly reduced.

8.8. Control of the Company

As at the Latest Practicable Date, the Offeror and its Concert Parties has statutory control of the Company, which places the Offeror in a position to significantly influence, *inter alia*, the management,

operating and financial policies of the Company and ability to pass all ordinary on matters in which the Offeror and its Concert Parties do not have an interest, at general meetings of Shareholders.

8.9. Material Litigation

The information on the Material Litigation set out in italics below has been extracted from paragraph 7 of Appendix II of the Circular. All terms and expression used in the extract below shall have the same meaning as those defined in the Circular, unless otherwise stated.

"***7. MATERIAL LITIGATION***

The Company has, on 26 April 2016, announced that its wholly-owned subsidiary, Raintree Rock Sdn. Bhd., had, on 22 April 2016, been served with a writ of summons and statement of claim filed in the High Court of Malaya in Kuala Lumpur. Further information can be found in the Company's announcement dated 26 April 2016.

Save as disclosed above, as at the Latest Practicable Date:

(a) neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole; and

(b) the Directors are not aware of any litigation, claim or proceedings pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole."

8.10. Listing Status and Compulsory Acquisition

We note from paragraph 10 of the Offer Document that pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its Concert Parties to above 90% of the total number of Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until it is satisfied that at least 10% of the total number of Shares (excluding any Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

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

It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. In the event that the percentage of Shares (excluding any Shares held in treasury) held in public hands falls below 10% and the SGX-ST suspends trading of the Shares, the Offeror will assess the options available at such time, including but not limited to carrying out a compliance placement exercise after the completion of the Offer.

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

equal to the Offer Price. In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares as at the close of the Offer, the Shareholders who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price. Such Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

As stated above, the Offeror intends to maintain the listing status of the Company, and presently has no intention of exercising its rights of compulsory acquisition under Section 215(1) of the Companies Act, should it be available to it.

9. OPINION

In arriving at our opinion in respect of the Offer, we have taken into account, *inter alia*, the following factors which we consider to have a significant bearing on our assessment as summarised below and as elaborated elsewhere in this Letter. In connection with the JV Land, the Company did not commission the Independent Valuer to ascertain the value after development of the JV Land had been completed and ready for occupation and the estimated total cost including carrying charges of completing the development, however, the Directors have represented and confirmed that (a) they are satisfied that given *inter alia* the status of development, lapse of JVA and requirements for financing, the ascribed market value of the development land and the bases for such valuation is reasonable, and (b) in the event the value after development of the JV Land had been completed and ready for occupation and the estimated total cost including carrying charges of completing the development are considered, the revaluation surplus from Appraised Assets would have been higher and accordingly, the discount implied by the Offer Price from the Group's RNAV and/or RNTA per Share would have been higher. Our views, recommendation and opinion are necessarily limited and subject to these matters.

This is purely a summary of the factors that have been highlighted in this Letter and Shareholders should be advised to read the following in conjunction with, and in the context of, the full text of this Letter:-

(a) The rationale for the Offer, intention of the Offer and listing status as set out in paragraphs 8 to 10 of the Offer Document.

(b) Historical financial performance and position of the Group. The Group has been loss making for the period under review being FY2014 to HY2017 (save for FY2016 whereby the Group recorded a profit after tax attributable to owners of the Company of approximately S$5.0 million due mainly to gain on disposal of financial assets, available-for-sale and investment in associate which are non-recurring and non-trade in nature). The Group's net working capital has improved significantly during the period under review from a negative region of approximately S$34.0 million as at end of FY2015 to approximately S$4.3 million as at end of HY2017. Likewise, the shareholder's equity of the Group improved significantly from approximately negative S$18.2 million as at end of FY2015 to approximately positive S$5.1 million as at end of FY2016 (due to allotment and issuance of Conversion Shares pursuant to the Settlement Agreement for repayment and settlement of the Wintercrest Loan) and subsequently declined (but remained positive) to approximately S$4.6 million as at end of HY2017. Lastly, the Group recorded negative net cash flow from operating activities of approximately S$10.5 million, S$1.8 million, S$0.6 million and S$0.3 million in FY2014, FY2015, FY2016 and HY2017 respectively. The Directors confirmed that to the best of their knowledge, as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, the audited financial statements for the Group for FY2016 and the unaudited financial statements for the Group for HY2017, there has been no material changes to the Group's assets and liabilities, financial position, condition and performance.

(c) The disclaimer of opinion issued by the Independent Auditors which can be found on pages 89 to 90 of the AR2016, pertaining to, *inter alia*, appropriateness of the going concern assumption. It is noted from the results announcement for HY2017 that the Board is in view that the Group despite uncertainties can continue as a going concern in view of, *inter alia*, cash inflow from the sterilisation business, cash inflow from sale of property, cash inflow from the sale of Trackplus

Land (if required), and the waiver of payment of a portion of the late penalty fee in connection with the withholding tax (but the withholding tax on interest payment is still fully payable by instalment).

(d) The Offer Price (as set out in paragraph 7 of this Letter) after taking into account, *inter alia*, the following factors:-

(i) The Offer Price represents a premium of approximately 25.2% over the Group's NAV and/or NTA per Share as at 30 June 2017, but it is at a discount of approximately 42.8% from the Group's RNAV and/or RNAV per Share.

(ii) The Offer Price is substantially lower than the minimum trading price for shares listed on the SGX-ST and the prices for the Shares were always higher than the Offer Price during the 12-month period prior to the Announcement Date and the period commencing from the Announcement Date (after lifting of the trading halt) to the Latest Practicable Date.

(iii) The Offer Price represents substantial discount of approximately 81.8% over the last transacted price for the Shares as at 23 August 2017, being the Last Trading Day prior to the Announcement Date.

(iv) The Offer Price represents substantial discount of approximately 94.0%, 91.4%, 88.5% and 89.9% from the VWCP for the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Announcement Date.

(v) The Offer Price represents a substantial discount of approximately 86.3% from the VWCP for the Shares for the period commencing on the Announcement Date (after lifting of the trading halt) and ending on the Latest Practicable Date.

(vi) The Offer Price represents a substantial discount of approximately 90.9% from the last transacted price for the Shares as at the Latest Practicable Date.

(vii) Unfavourable comparison with the Selected Non-Privatisation MGO Transactions. The valuation of the Group as implied by the Offer Price appears to be less favourable than the Selected Non-Privatisation MGO Transactions (save for Jasper Investment Limited) in terms of premium and/or discount over/from historical prices. In addition, in terms of P/NTA multiple, the valuation of the Group as implied by the Offer Price appears to be less favourable as compared to the simple average and the median for the Selected Non-Privatisation MGO Transactions.

(viii) Less favourable comparison of the Offer with the 2015 Placement, the 2015 Rights Issue and the 2016 Shares Issue. In nominal terms, the Placement Price, revised Rights Issue Price and Issue Price are substantially higher than the Offer Price. The discount as implied by the Offer Price from the last transacted price for the Shares prior to the Announcement Date is less favourable than the slight premium as implied by the Placement Price over the last transacted price prior to the 2015 Placement, the discounts as implied by the revised Rights Issue Price and the Issue Price from the last transacted price prior to the respective announcements. The valuation of the Group for the 2015 Placement in terms of P/NTA (as implied by the Placement Price) of approximately 0.8 times is higher and more favourable as compared to the valuation of the Group as implied by the Offer Price of approximately 0.6 times, whilst we note that the valuation of the Group for the 2015 Rights Issue and the 2016 Shares Issue in terms of P/NTA are negative and not meaningful.

(e) As at the Announcement Date, the Offeror and its Concert Parties hold approximately 69.56% of the total issued Shares and subsequent to the Announcement Date to the Latest Practicable Date, the Offeror did not make any further announcement in connection with changes in its shareholding in the Company or further purchases of Shares. Under such circumstances, competing offer for the Shares (if any) is unlikely to be forthcoming without the support of the Offeror in view of its majority control as represented by the percentage of the total number of

Shares that the Offeror and its Concert Parties hold as at the Latest Practicable Date. Thus, the possibility of an alternative offer from parties other than the Offeror will be significantly reduced.

(f) The Company had not declared any dividends for the last ten (10) financial years, being FY2007 to FY2016.

(g) The Offer is unconditional and the Offeror has stated in the Offer Document that it will not revise the Offer Price.

(h) The Directors confirmed that (a) no other third parties have approached the Company with an intention to make an offer for the Company; and (b) apart from the Offer being made by the Offeror; no other third party has made a firm offer for the Company as at the Latest Practicable Date.

(i) As stated in paragraph 10 of the Offer Document, the Offeror's current intention is to maintain the listing status of the Company. In the event that the percentage of Shares (excluding any Shares held in treasury) held in public hands falls below 10% and the SGX-ST suspends trading of the Shares, the Offeror will assess the options available at such time, including but not limited to carrying out a compliance placement exercise after the completion of the Offer. Thus, the ability of the Company to meet the public float requirements and remain listed after close of the Offer, is possibly alleviated. Furthermore given that approximately 11.84% of the issued Shares will not be tendered for acceptance pursuant to the Directors' statement of intention in the Circular, the possibility of Shareholders relying on a compulsory acquisition accorded for their "protection" pursuant to Section 215(3) of the Act is reduced.

(j) Other considerations as set out in paragraph 8 or elsewhere in this Letter.

In summary, having regard to our analysis and the consideration in this Letter (including, *inter alia*, its limitation and constraints) and after having considered carefully the information available to us and based on market, economic and other relevant considerations prevailing as at the Latest Practicable Date, and subject to our terms of reference, as well as the confirmation and representation from the Directors that a) they are satisfied that given *inter alia* the status of development, lapse of JVA and requirements for financing, the ascribed market value of the development land and the bases for such valuation is reasonable, and (b) in the event the value after development of the JV Land had been completed and ready for occupation and the estimated total cost including carrying charges of completing the development are considered, the revaluation surplus from Appraised Assets would have been higher and accordingly, the discount implied by the Offer Price from the Group's RNAV and/or RNTA per Share would have been higher, we are of the opinion that, in the absence of an alternative offer, the financial terms of the Offer is, on balance, **NOT FAIR** and **NOT REASONABLE**.

For the purposes of evaluation of the Offer from a financial point of view, we have adopted the approach that the term "fair and reasonable" comprises two distinct concepts:

(i) Whether the Offer is "fair" relates to the value of the offer price which is based strictly on the evaluation of the Offer Price (i.e. by looking at the financial or fundamental analyses of the Offer Price as set out in this Letter and based on information known to us or which is publicly available).

(ii) Whether the Offer is "reasonable", after taking into consideration the actual and potential financial impact of other circumstances surrounding the Offer and the Company which we consider relevant (being both quantitative and qualitative factors available and made known to us).

We consider the financial terms of the Offer to be **NOT FAIR**, from a financial point of view after factoring, *inter alia*, the following:–

(i) Substantial discounts implied by the Offer Price from the historical market prices for the Shares considering, *inter alia,* that (a) the Offer Price is substantially lower than the minimum trading

price for shares listed on the SGX-ST and the transacted market prices for the Shares during the 12-month period prior to the Announcement Date and from the Announcement Date to the Latest Practicable Date; (b) the implied discount of approximately 81.8% from the last transacted price for the Shares on the Last Trading Day prior to the Announcement Date; and (c) the implied discounts of approximately 94.0%, 91.4%, 88.5% and 89.9% from the VWCP for the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Announcement Date. The implied discounts (for last transacted prices prior to Announcement Date, VWAP for 3-month and 1-month period prior to Announcement Date) are generally worse off than the Selected Non-Privatisation MGO Transactions.

(ii) The Offer Price is at a discount of approximately 42.8% from the Group's RNAV and/or RNTA per Share and the implied P/NTA of 0.6 times is lower than the simple average and median and relatively in line with the minimum for the Selected Non-Privatisation MGO Transactions. In addition, the Directors represented and confirmed that in the event the value after development of the JV Land had been completed and ready for occupation and the estimated total cost including carrying charges of completing the development are considered, the revaluation surplus from Appraised Assets would have been higher and accordingly, the discount implied by the Offer Price from the Group's RNAV and/or RNTA per Share would have been higher.

(iii) Unfavourable comparison with the Selected Non-Privatisation MGO Transactions.

(iv) Less favourable comparison of the Offer Price with the Placement Price, Rights Issue Price and Issue Price in terms of nominal terms, implied discount to the historical market prices and P/NTA multiple.

We consider the financial terms of the Offer to be **NOT REASONABLE**, from a financial point of view after factoring, *inter alia*, the following:–

(i) Notwithstanding the disclaimer of opinion issued by the Independent Auditors for FY2016, pertaining to, *inter alia*, appropriateness of the going concern assumption, we note that the financial position of the Group has improved as at 30 June 2017 in terms of the positive net working capital, lower gearing ratio and positive shareholders' equity.

(ii) The Directors' confirmation that despite uncertainties, the Group can continue as a going concern in view of, *inter alia*, cash inflow from the sterilisation business, cash inflow from sale of property, cash inflow from the sale of Trackplus Land (if required), and the waiver of payment of a portion of the late penalty fee in connection with the withholding tax (but the withholding tax on interest payment is still fully payable by instalment).

(iii) As at the Announcement Date, the Offeror and its Concert Parties hold approximately 69.56% of the total number of issued Shares and subsequent to the Announcement Date to the Latest Practicable Date, the Offeror did not make any further announcement in connection with changes in its shareholding in the Company or further purchases of Shares. Accordingly, the Offeror and its Concert Parties have a statutory control of the Company, which places the Offeror in a position to significantly influence, *inter alia*, the management, operating and financial policies of the Company and is in a position to pass ordinary resolutions for matters in which the Offeror and its Concert Parties do not have an interest, at general meetings of Shareholders. Furthermore, acceptance of the Offer by Shareholders will further reduce the free float, number of Shares available for trading and Shareholders. This may further exacerbate the illiquidity, volatility and the bid and ask spreads for the Shares and increase transactional or trading cost (other than commissions where applicable).

(iv) The trading activities for the Shares had been generally active during the 12-month period prior to the Announcement Date and for the period commencing on the Announcement Date to the Latest Practicable Date, which we have assessed in conjunction with the fact that the Offer Price is lower than the minimum trading price for shares listed on the SGX-ST and the transacted market prices for the Shares during the 12-month period prior to the Announcement Date and the period commencing on the Announcement Date (after lifting of the trading halt) to the Latest Practicable Date. The Offer Price represents a substantial discount of approximately

90.9% from the last transacted price of S$0.002 per Share on the SGX-ST on 14 September 2017, being the Latest Practicable Date.

ACA's Recommendation on the Offer

Based on our assessment of the financial terms of the Offer as set out above, we advise the Independent Directors that they should recommend that Shareholders **REJECT** the Offer. For Shareholders who wish to realise their Shares, to sell their Shares in the open market as the transacted prices for the Shares during the 12-month period prior to the Announcement Date and period commencing on the Announcement Date to the Latest Practicable Date were substantially higher than the Offer Price.

Directors and Shareholders should note that the trading of the Shares are subject to, *inter alia*, the performance and prospects of the Group, prevailing market conditions, economic outlook and stock market conditions and sentiments. Accordingly, our advice on the Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of our review and also, such advice, if given, would not fall within our terms of reference in connection with the Offer.

Matters to highlight

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

1. If the Shareholders are considering selling their Offer Shares in the open market, they should be aware that the current market prices and trading volumes for the Shares may have been supported by the Offer and may not be maintained at current levels when the Offer closes.

2. The Offeror has stated in the Offer Document that the Offer Price is final and it will not revise the Offer Price.

3. Whilst the possibility of a higher offer from a third party cannot be ruled out, as at the Latest Practicable Date, we are not aware of any publicly available evidence of an alternative offer for the Shares. Shareholders should be aware that the chances of such an alternative offer for Shares being made by a third party may be affected by the fact that as at the Announcement Date, the Offeror and its Concert Parties hold approximately 69.56% of the total number of issued Shares.

4. As set out in the Offer Document, the Offer is unconditional.

5. It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. In the event that the percentage of Shares (excluding any Shares held in treasury) held in public hands falls below 10% and the SGX-ST suspends trading of the Shares, the Offeror will assess the options available at such time, including but not limited to carrying out a compliance placement exercise after the completion of the Offer. Thus, the ability of the Company to meet the public float requirements and remain listed after close of the Offer, is possibly alleviated. Furthermore given that approximately 11.84% of the issued Shares will not be tendered for acceptance pursuant to the Directors' statement of intention in the Circular, the possibility of Shareholders relying on a compulsory acquisition accorded for their "protection" pursuant to Section 215(3) of the Act is reduced.

6. The Directors confirmed that as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, the audited financial statements for the Group for FY2016 and the unaudited financial statements for the Group for HY2017, there has been no material changes to the Group's assets and liabilities, financial position, condition and performance.

7. Our scope does not require us and we have not made any independent evaluation of the Group (including without limitation, market value or economic potential) or appraisal of the Group's

assets and liabilities (including without limitation, financial assets, development property, asset(s) held for sale and property and equipment) or contracts entered into or to be entered into by the Group (where applicable) 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 (where applicable) by the Group. The Directors have confirmed that for the internal accounting reference purpose, they have commissioned two Independent Valuers to determine the market value of the Group's development property and selected asset(s) held for sale, as well as selected property and equipment of the Group as at the Valuation Date. As the valuation reports issued by the Independent Valuers are not prepared specifically for the purpose of and in connection with the Offer, the valuation reports will not be made publicly available. Nevertheless, the Directors confirmed that each of the Independent Valuers has given consent for the references to and/or use of the market value of the Group's development property and selected asset(s) held for sale or the fair value of the selected property and equipment of the Group by the Directors, who have the liberty to disclose such valuation to us in connection with their bases for their representations. With respect to such valuation, we are not experts in the evaluation or appraisal of assets and liabilities (including without limitation, financial assets, development property, asset(s) held for sale and property and equipment) including, *inter alia*, the contracts or agreements that the Group has embarked upon or are about to embark upon (where applicable) and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.

Limitations

It is also to be noted that as trading of the Shares is subject to possible market fluctuations and accordingly, our advice on the Offer does not and cannot take into account the future trading activities or patterns or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review and also such advice, if given, would not fall within our terms of reference in connection with the Offer.

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

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to accept the Offer should refer to Appendix 2 to the Offer Document which sets out the procedures for acceptance of the Offer. Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore time) on the Closing Date.

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

This Letter is addressed to the Independent Directors in connection with and for the sole purpose of their evaluation of the financial terms of the Offer. Whilst a copy of this Letter may be included in the Circular, neither the Company nor the Directors nor the Shareholders, 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. 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, 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.

The recommendations made by the Independent Directors to the Independent Shareholders in relation to the Offer and the issue of the Circular (as well as any information therein) 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

1. DIRECTORS

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

Name	Address	Designation in the Company
Ng Kim Huatt	957 Bukit Timah Road #05-16 Singapore 589653	Executive Director
Alan Chin Yu	26 Beckley Circle Leeming WA 6149 Australia	Executive Director
Calvin Lim Huan Kim	No. 35 Amber Road #17-15 The Seaview Singapore 439945	Lead Independent Non-Executive Director
Tan Gim Kang, Arran	Blk 657 Yishun Ave 4 #12-373 Singapore 760657	Independent Non-Executive Director
Aris Muhammad Rizal	Komp. Griya Melati Mas Blok. R-1 No. 31, RT 007/RW 008 Kelurahan Jatimulya Kecamatan Cilodong Depok Jawa Barat, Indonesia	Independent Non-Executive Director

2. PRINCIPAL ACTIVITIES

The Company was incorporated on 26 April 1993 and was listed on the Mainboard of SGX-ST.

As at the Latest Practicable Date, the Company (together with its subsidiaries) has four core business segments including investment holding, sterilisation, property, mineral and energy resources.

3. SHARE CAPITAL

3.1 Issued share capital of the Company

The Company has only one (1) class of shares, being ordinary shares.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S$131,413,946 comprising 31,645,762,183 Shares. There is no treasury share.

3.2 Rights of Shareholders in respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Company's Constitution. For ease of reference, selected texts of the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been reproduced in Appendix III to this Circular.

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

As at the Latest Practicable Date, 4,120,000,000 performance shares to directors and employees of the Group under the Company's performance share plan have been granted by the Company since 31 December 2016, being the end of the last financial year.

3.4 Convertible instruments

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

4. SUMMARY OF FINANCIAL INFORMATION

4.1 Financial Information of the Group

A summary of the financial information of the Group, including revenue, exceptional items, net profit before and after tax, minority interests, net earnings per Share and net dividends per Share for FY2014, FY2015, FY2016 and 1HFY2017 is set out below.

The following summary should be read together with the annual reports, the audited consolidated financial statements of the Group for the relevant periods and the related notes thereto, which are available on the website of the SGX-ST at www.sgx.com.

	Audited FY2014	Audited FY2015	Audited FY2016	Unaudited 1HFY2017
Income Statement (S$'000)				
Revenue	3,598	3,640	3,708	1,730
Other (losses)/gains – net	(6,931)	(8,434)	8,736	(1,744)
Expenses				
Raw materials and consumables used	(117)	(99)	(85)	(44)
Costs of development properties sold	(73)	–	–	–
Employee benefits	(2,028)	(2,175)	(1,765)	(4,994)
Others	(9,634)	(9,641)	(2,223)	(1,094)
Re-measurement loss on acquisition of investment associate	(21,010)	–	–	–
Impairment loss on financial assets, available-for-sale	(18,648)	(5,889)	(110)	(4)
Impairment loss on investment in an associate	(4,352)	(217)	–	–
Dilution gain/(loss) on investment in an associate	–	181	(1,380)	–
Share of loss of an associate	(1,463)	(1,725)	(1,050)	–
Finance costs	(5,081)	(4,156)	(4)	(1)
Total expenses	(62,406)	(23,721)	(6,617)	(6,137)
Loss before income tax	(65,739)	(28,515)	5,827	(6,151)
Income tax	(497)	(449)	(407)	24
LOSS FOR THE YEAR/PERIOD	**(66,236)**	**(28,964)**	**5,420**	**(6,127)**

	Audited FY2014	Audited FY2015	Audited FY2016	Unaudited 1HFY2017
Other comprehensive loss:				
Items that will not be reclassified subsequently to profit or loss:				
Actuarial loss on defined benefits plans	(45)	(46)	(58)	–
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation (loss)/gain				
– on translating foreign operations	(776)	(1,486)	(915)	(261)
– reclassified to profit or loss	–	–	561	907
Net change in fair value of financial assets, available-for-sale	–	1,525	–	–
Cumulative gain in fair value of financial assets, available-for-sale reclassified to profit or loss	(1,662)	–	(1,525)	–
Other comprehensive loss, net of tax	(103)	(376)	95	–
Other comprehensive (loss)/income for the year/period, net	**(2,586)**	**(383)**	**(1,842)**	**646**
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD	**(68,822)**	**(29,347)**	**3,578**	**(5,481)**
(Loss)/profit for the year/period attributable to:				
Owners of the Company	(66,856)	(29,561)	4,957	(6,284)
Non-controlling interests	620	597	463	157
	(66,236)	(28,964)	5,420	(6,127)
Total comprehensive (loss)/profit for the year/period attributable to:				
Owners of the Company	(69,420)	(29,605)	3,090	(5,579)
Non-controlling interests	598	258	488	98
	(68,822)	(29,347)	3,578	(5,481)
(Loss)/earnings per share attributable to owners of the Company (expressed in cents)				
– Basic	(2.15)	(0.82)	0.07	(0.02)
– Diluted	(2.15)	(0.82)	0.07	(0.02)

A summary of the assets and liabilities of the Group as at 31 December 2016 is set out below.

The following summary should be read together with the annual report for FY2016, the audited consolidated financial statements of the Group for FY2016, and the related notes thereto, which are available on the website of the SGX-ST at www.sgx.com.

	31 December 2016 (Audited)
Statement of Financial Position (S$'000)	
ASSETS	
Current assets	
Cash and bank balances	498
Financial assets, at fair value through profit or loss	133
Trade and other receivables	673
Other current assets	373
Development properties	4,651
Assets held for sale	1,426
	7,754
Non-current assets	
Investment in subsidiaries	–
Investment in an associate	–
Loans to subsidiaries	–
Investment properties	–
Financial assets, available-for-sale	32
Property and equipment	4,702
Deferred tax assets	237
	4,971
Total assets	**12,725**
LIABILITIES	
Current liabilities	
Trade and other payables	3,469
Borrowings	33
Current income tax liabilities	36
	3,538
Non-current liabilities	
Trade and other payables	500
Employee compensation	799
Borrowings	51
Deferred tax liabilities	–
	1,350
Total liabilities	**4,888**
NET ASSETS	**7,837**

	31 December 2016 (Audited)
EQUITY	
Equity attributable to owners of the Company	
Share capital	127,294
Reserves	(6,198)
Accumulated losses	(115,999)
	5,097
Non-controlling interests	2,740
Total equity	**7,837**

4.2 Material changes in financial position

Save as disclosed in this Circular and publicly available information on the Company (including but not limited to the annual report of the Company for FY2016 and the 1HFY2017 Results), there is no known material change in the financial position of the Company as at the Latest Practicable Date since 31 December 2016, being the date to which the last published audited financial statements of the Company were made up.

4.3 Significant accounting policies

The significant accounting policies of the Group, which are disclosed in note 3 of the audited consolidated financial statements of the Group for FY2016, are contained in the annual report of the Company for FY2016 and are available on the website of the SGX-ST at www.sgx.com.

Save as disclosed in this Circular and publicly available information on the Company (including but not limited to that contained in the audited financial statements of the Company for FY2014, FY2015 and FY2016), there were no significant accounting policies or any points from the notes to the financial statements of the Company which are of major relevance for the interpretation of the accounts.

4.4 Changes in accounting policies

As at the Latest Practicable Date, save as publicly disclosed, there has been no change in the accounting policies of the Company which will cause the figures in the financial statements of the Company to be not comparable to a material extent.

5. DISCLOSURE OF INTERESTS

5.1 Interests of the Group in the Offeror Securities

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries has any direct or deemed interest in any of the Offeror Securities.

5.2 Dealings by the Group in the Offeror Securities

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries has dealt for value in any of the Offeror Securities during the period commencing six (6) months prior to the Announcement Date and ending on the Latest Practicable Date.

5.3 Interests of the Directors in the Offeror Securities

At the Latest Practicable Date, none of the Directors has any direct or deemed interest in any of the Offeror Securities.

5.4 Dealings by the Directors in the Offeror Securities

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

5.5 Interests of the Directors in the Company Securities

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

Interests of the Directors in Shares

	Direct Interest		Deemed Interest	
	No. of Shares	Shareholding (%)	No. of Shares	Shareholding (%)
Directors				
Ng Kim Huatt	2,900,000,000	9.16	–	–
Alan Chin Yu	250,000,000	0.79	–	–
Calvin Lim Huan Kim	271,700,000	0.86	–	–
Tan Gim Kang, Arran	190,000,000	0.60	–	–
Aris Muhammad Rizal	135,000,000	0.43	–	–

5.6 Dealings in the Company Securities by the Directors

On 13 June 2017, the Company announced the following grant of performance shares under the Blumont Performance Shares Plan to the Directors as follows:

Directors	Number of performance shares granted to Directors
Ng Kim Huatt	2,800,000,000
Alan Chin Yu	250,000,000
Calvin Lim Huan Kim	250,000,000
Tan Gim Kang, Arran	175,000,000
Aris Muhammad Rizal	125,000,000

The performance shares were issued and allotted on 19 June 2017.

Save as disclosed above, none of the Directors have dealt in Company Securities during the period commencing six (6) months prior to 24 August 2017, being the Offer Announcement Date, and ending on the Latest Practicable Date.

5.7 Interests of the IFA in the Company Securities

As at the Latest Practicable Date, the IFA and funds whose investments are managed by it on a discretionary basis do not own or control any of the Company Securities.

5.8 Dealings in the Company Securities by the IFA

As at the Latest Practicable Date, the IFA and funds whose investments are managed by it on a discretionary basis have not dealt for value in any of the Company Securities during the period commencing six (6) months prior to the Announcement Date and ending on the Latest Practicable Date.

5.9 Directors' intentions

As at the Latest Practicable Date, none of the Directors intends to accept the Offer.

5.10 Service contracts

As at the Latest Practicable Date:

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

(b) there are no such contracts entered into or amended during the period between the start of the six (6) months preceding the Announcement Date and the Latest Practicable Date.

The Company has appointed Siaw Lu Howe as the Interim Chief Executive Officer commencing 5 September 2017 and the service contract is for one (1) year.

5.11 Arrangements affecting Directors

As at the Latest Practicable Date:

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

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

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

6. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Neither the Company nor its subsidiaries has entered into any material contract (other than in the ordinary course of business) with interested persons during the period commencing three (3) years prior to the Announcement Date and ending on the Latest Practicable Date.

7. MATERIAL LITIGATION

The Company has, on 26 April 2016, announced that its wholly-owned subsidiary, Raintree Rock Sdn. Bhd., had, on 22 April 2016, been served with a writ of summons and statement of claim filed in the High Court of Malaya in Kuala Lumpur. Further information can be found in the Company's announcement dated 26 April 2016.

Save as disclosed above, as at the Latest Practicable Date:

(a) neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole; and

(b) the Directors are not aware of any litigation, claim or proceedings pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries, taken as a whole.

8. GENERAL INFORMATION

All expenses and costs incurred by the Company in relation to the preparation and despatch of this Circular will be borne by the Company.

All capitalised terms used in the following extracts shall have the same meanings given to them in the Constitution, a copy of which is available for inspection at the registered office of the Company at 298 Tiong Bahru Road, #11-03 Central Plaza, Singapore 168730 during normal business hours for the period which the Offer remains open for acceptance.

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

(i) The rights of Shareholders in respect of capital

"***SHARE CAPITAL***

Shares under control of General Meeting.

5. Subject to the Act and these Articles relating to new shares and to any special rights attached to any share for the time being issued, all shares shall be under the absolute control of the Members in General Meeting but subject thereto, the Directors may allot, grant options over or otherwise dispose of the same to such persons on such terms and conditions, for such consideration, at a premium or otherwise and at such times as the Directors may determine. Provided that:

a. no shares may be issued at a discount except in accordance with the Act;

b. the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same; and

c. no shares may be issued to transfer a controlling interest without prior approval of the Members in General Meeting.

Authority to Directors to issue shares.

6. The Company in General Meeting may authorise the Directors to exercise any power of the Company to issue shares, such authority being confined to a particular exercise of that power or generally. Any such authority may be unconditional or subject to conditions and shall continue in force until the conclusion of the Annual General Meeting commencing next after the date on which the approval was given or the expiration of the period within which the next Annual General Meeting after that date is required by law to be held (whichever is earlier) but may be previously revoked or varied by the Company in General Meeting.

Company may issue shares with preferred, deferred or other special rights.

7. Any share in the Company may be issued with such preferred, deferred or other special rights, or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, either at a premium or otherwise, as the Company may from time to time by Ordinary Resolution determine, and subject to the provisions of the Act (and these Articles) the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by Ordinary Resolution determine. The total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares for the time being.

8. *In the event of the Company at any time issuing preference capital, the Company shall have power to issue further preference capital ranking equally with or in priority to the preference shares already issued and the rights conferred upon the holders of preference shares shall not unless otherwise expressly provided by the conditions of issue of such shares be deemed to be altered by the creation or issue of such further preference capital ranking equally with or in priority thereto.*

Issue of further preference shares.

9. *Subject to the provisions of the Act all or any of the special rights or privileges for the time being attached to any preference shares for the time being issued may from time to time (whether or not the Company is being wound up) be modified, affected, altered or abrogated and preference capital other than redeemable preference shares may be repaid if authorised by Special Resolution passed by Members in respect of such preference shares at a special meeting called for the purpose. To any such special meeting all the provisions of these Articles as to General Meetings of the Company shall mutatis mutandis apply but so that the necessary quorum shall be two persons at least being or representing by proxy Members in respect of not less than one-third of the preference shares issued and that every such Member shall be entitled on a poll to one vote for every preference share held by him, and that any such Member present either in person or by proxy may demand a poll.*

Alteration of rights of preference shareholders.

Provided that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from the Members in respect of three-fourths of the preference shares concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.

10. *Preference shareholders shall have the same rights as ordinary shareholders as regards the receiving of notices, reports and balance sheets and the attending of General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital of the Company or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or where the dividend on the preference shares is more than six months in arrears.*

Rights of preference shareholders.

11. *If the conditions of allotment of any shares, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the persons who for the time being, and from time to time, shall be Members in respect of the shares, or their legal personal representatives.*

Instalments of shares.

12. *The Company may pay a commission to any person in consideration of his subscribing, or agreeing to subscribe, whether absolutely or conditionally, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the capital of the Company or options therefor. Any such commission may be paid in*

Commission for subscribing.

whole or in part in cash or fully or partly paid shares of the Company at par or options therefor as may be arranged, and the Company may, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, whether absolutely or conditionally, or of his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company or options therefor, confer on any such person an option call within a specified time for a specified number or amount of shares in the Company at a specified price not being less than the par value or on such other terms and conditions as the Directors may deem fit. The payment or agreement to pay a commission or the conferring of an option shall be in the discretion of the Directors on behalf of the Company. The requirements of the provisions of the Act shall be observed, so far as applicable.

13. *(1) The Company and the CDP shall not be bound to register more than three persons as the joint holders of any share except in the case of executors or administrators of the estate of a deceased Member.* *Joint holders and Depositors.*

(2) Subject to Article 13(1), any two or more persons may be registered as joint holders of any share or named in the Depository Register as Joint Depositors. In the case of the death of any one or more of the joint registered holders or joint Depositors of any share, the survivors shall be the only persons recognised by the Company as having any title to or interest in such share but the Company may require such evidence of death as it may deem fit.

(3) Any one of the joint holders of any share or joint Depositors may give effectual receipts for any dividends, bonuses, or other moneys payable to such joint holders or joint Depositors. The first named on the Register or the Depository Register shall, however, as regards voting, proxy, service of notices and delivery of certificates and dividend warrants, be deemed to be the sole owner of such share and any notice given to such person shall be deemed notice to all the joint holders or joint Depositors, as the case may be.

(4) The joint holders of any share or the joint Depositors in respect of any share shall be liable jointly and severally in respect of all payments and liabilities in respect of such share.

14. *Save as herein otherwise provided the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and a Depositor as the absolute owner of the number of shares which are entered against his name in the Depository Register and accordingly shall not be bound (except as ordered by a court of competent jurisdiction or as by law required) to recognise even when having notice of any equitable or other claim to or interest in any such share on the part of any person.* *Member absolute owner.*

15. *No person shall exercise any rights or privileges as a Member until his name shall have been entered in the Register or the Depository Register and he shall have paid all calls and other moneys for the time being due and payable on any share in respect of which he is a Member alone or jointly with any other person.*

Exercise of rights of Members.

16. *The Company shall not give any financial assistance for the purpose of or in connection with the acquisition or proposed acquisition of any shares in the Company or its holding company (if any) unless the same is permitted by law.*

Company not to give financial assistance for acquisition of shares.

17. *Subject to and in accordance with the provisions of the Act, the listing rules of the Exchange, and other written law, the Company may purchase or otherwise acquire shares, options, stocks, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms as the Company may think fit and to the extent permitted and in the manner prescribed by law.*

Company may acquire its own shares.

SHARE CERTIFICATE

18. *Every certificate for shares shall be under the Seal or the Share Seal as provided in Article 135.*

Share certificates.

19. *Every registered holder shall be entitled to receive, and the Company shall allot and despatch to CDP for the account of every Depositor who are Members, within ten Market Days (or such other period as may be approved by the Exchange) of the closing date for the subscription of securities or within such period as the conditions of issue shall provide or, where applicable, within fifteen Market Days (or such other period as may be approved by the Exchange) after the day of lodgement of a registered transfer (as defined in Article 41) (other than such transfer as the Company is for any reason entitled to refuse to register and does not register), one certificate in respect of each class of shares held by him or registered in the name of CDP, as the case may be, for all his shares or shares registered in the name of CDP, as the case may be, of that class or several certificates in such denominations as the Company shall, in its absolute discretion, consider reasonable for his shares or shares registered in the name of CDP, as the case may be, of that class, in the case of the registered holder, upon payment of two dollars per certificate (or such lesser sum as the Directors shall from time to time determine) and in the case of a Depositor, the Directors shall waive all payments for every certificate after the first Provided that (i) the Company shall not be bound to issue more than one certificate in respect of a share held jointly by several persons (including Depositors) and delivery thereof to one of several joint holders or, in the case of shares registered in the name of CDP, to CDP, shall be sufficient delivery to all such holders (including Depositors) and (ii) where a registered holder or CDP has transferred part of his shares or shares registered in the name of CDP, as the case may be, comprised in a share certificate the Company shall without charge and within fifteen Market Days (or such other period as may be approved by*

Registered holder's right to certificate.

the Exchange) after the lodgement of the registered transfer despatch to the registered holder or CDP as the case may be a certificate in respect of the shares not transferred.

20. *Every certificate of shares shall specify in words and figures the distinctive number of shares in respect of which it is issued, and the amount paid up thereon.* *Certificates shall specify number of shares.*

21. *Subject to the provisions of the Act, if any such certificate shall be defaced, worn out, destroyed, stolen or lost, it may be replaced on such evidence being produced and on such indemnity or undertaking (if required) being given by the Member, registered holder, CDP, transferee, person entitled thereto or the purchasing member company of the Exchange or on behalf of its client as the Director shall require and (in the case of defacement or wearing out) on delivery up of the old certificate and (in any case) on payment of such sum not exceeding one dollar per replacement certificate as the Directors may from time to time require. In the case of theft, destruction or loss the person entitled to such replacement certificate shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such theft, destruction or loss and to such indemnity or undertaking.* *Issue of replacing certificates.*

22. *The certificates of shares, or options in respect of shares, registered in the names of two or more persons may, without prejudice to the provisions of Article 19, be delivered to the person first named on the Register or, in the case of shares or option registered in the name of CDP, to CDP.* *Delivery of share certificates.*

LIEN ON SHARES

23. *The Company shall have a first and paramount lien on every share (not being a fully-paid share) and all dividends or interests from time to time declared in respect thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares standing registered in the name of a single person or joint persons or in respect of which a Depositor is or joint Depositors are named in the Depository Register and all dividends or interests from time to time declared in respect thereof for all moneys presently payable by such person, or in the case of a joint holder or Depositor, either such person or his estate to the Company. The Company's lien shall be restricted to unpaid calls and instalments, costs, charges and expenses referred to in Article 29 and interest (if any) on the specific shares in respect of which such amounts are due and unpaid and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member.* *Company's lien on shares.*

24. *For the purpose of enforcing such lien the Directors may sell all or any of the shares subject thereto in such manner as they think fit, but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are presently payable, and until* *Right to enforce lien by sale.*

such a notice in writing stating the amount due and demanding payment, and giving notice of intention to sell in default, shall have been served in such a manner as the Directors shall think fit on such Member or the person (if any) entitled by transmission to the shares, and default in payment shall have been made by him or them for seven days after such notice.

25. *The net proceeds of any such sale shall be applied in or towards satisfaction of the amount due and the residue (if any) shall be paid to the Member or his executors, administrators or assignees or as such Member shall direct.*

Application of proceeds of sale.

26. *To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser and the Directors may enter the purchaser's name in the Register as holder of the shares or may request the CDP to enter the purchaser's name in the Depository Register as the Depositor thereof, and the purchaser shall not be bound to see to the regularity or validity of, or be affected by any irregularity or invalidity in the proceedings to be bound to see to the application of the purchase money, and after his name has been entered in the Register or the Depository Register the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only.*

How sale to be effected.

CALLS ON SHARES

27. *The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares or on any class of their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, and each Member shall (subject to his having been given at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be made payable by instalments. A call may be revoked or postponed as the Directors may determine. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.*

Power of Directors to make calls.

28. *The joint holders of a share or the joint Depositors in respect of a share shall be jointly and severally liable to pay all calls or instalments and interest or costs, charges and expenses referred to in Article 29 (if any) in respect thereof.*

Joint and several liability of joint holders and Depositors

29. *If before or on the day appointed for payment thereof a call or instalment thereof payable in respect of a share is not paid, the person from whom the amount of the call or instalment is due shall pay interest on such amount at such rate as the Directors shall decide from time to time from the day appointed for payment thereof to the time of actual payment, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to recover*

Interest on unpaid calls.

payment of or in consequence of non-payment of such call or instalment, but the Directors may waive payment of such interest, costs, charges and expenses wholly or in part.

30. *Any sum which by the terms of allotment of a share is made payable upon issue or at any fixed date whether on account of the nominal value of the share or by way of premium and any instalment of a call shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest, costs, charges and expenses, forfeiture and the like, and all the other relevant provisions of the Act or of these Articles shall apply as if such sum were a call duly made and notified as hereby provided.*

Sums payable under terms of allotment to be deemed calls.

31. *The Directors may from time to time make arrangements on the issue of shares for a difference between the Members in respect of such shares in the amount of calls to be paid and in the time of payment of such calls.*

Difference in calls between various Members.

32. *The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any or in respect of shares, and upon all or any part of the moneys so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in General Meeting shall otherwise direct) eight per cent. per annum as may be agreed upon between the Directors and the Member paying the sum in advance. Capital paid on shares in advance of calls whilst carrying interest shall not confer a right to participate in profits.*

Payment of call in advance.

FORFEITURE OF SHARES

33. *If any Member fails to pay the whole or any part of any call or instalment or interest, costs, charges or expenses referred to in Article 29, on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the call or instalment or interest, costs, charges or expenses remain unpaid serve a notice on such Member requiring him to pay the same, together with any interest (including interest upon interest) and expenses that may have been incurred by the Company by reason of such non-payment.*

Notice to be given of intended forfeiture.

34. *The notice shall name a further day (not being less than fourteen days from the date of service of the notice) and a place on and at which such call or instalment or interest, costs, charges or expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable shall be liable to be forfeited.*

Form of notice.

35. *If the Member shall fail to comply with the requirements of any notice as aforesaid, any share in respect of which the notice has been given, may at any time thereafter, before payment of all such calls or instalments or interest, costs, charges and expenses due in respect*

If notice not complied with shares may be forfeited.

thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

36. *Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot, or otherwise dispose of the same upon such terms and in such manner as they think fit. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may effect a transfer of the share in favour of the person to whom the share is sold or disposed and his name shall thereupon be entered in either the Register or the Depository Register, as may be appropriate, in respect of the share and shall not be bound to see the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.*

Forfeited shares property of Company.

37. *When any share shall have been so forfeited notice of the resolution shall be given to the Member in respect of such share prior to the forfeiture and an entry of the forfeiture with the date thereof shall forthwith be made in the Register and the Company shall request CDP to make a corresponding entry in the Depository Register. The provisions of this Article are directory only and no forfeiture shall be in any manner invalidated by any omission to give such notice or to make such entry as aforesaid.*

Notice of forfeiture to be given to Members.

38. *The Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.*

Power to annul forfeiture.

39. *Any Member whose or in respect of whom shares shall have been forfeited shall cease to be a Member in respect of the forfeited shares but shall, notwithstanding, be liable to pay, and shall forthwith pay to the Company all calls or instalments or interest, costs, charges and expenses owing upon or in respect of such shares at the time of forfeiture, as if the shares had not been forfeited and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture without any deduction or allowance for the value of the shares at the time of forfeiture together with any interest thereon from the time of forfeiture until payment, at the rate of eight per cent. per annum and the Directors may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation to do so. Any residue after the satisfaction of the unpaid calls, accrued interest, costs, charges and expenses shall be paid to the Member, his executor, administrator or assignee or as he directs.*

Liability on forfeited share.

40. *A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.*

Declaration by the Director conclusive of fact of forfeiture.

TRANSFER OF SHARES

Member may transfer shares.

41. Subject to the restrictions of these Articles and any restrictions imposed by law or the Exchange or the CDP, any Member may transfer all or any of his shares, but every transfer by any Member must either be by means of:–

a. an instrument in the form approved by the Exchange, which must be left at the Office or such other place or places at the Directors may appoint from time to time for registration, duly stamped and accompanied by the certificates of the shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor or his right to transfer the shares ("a registered transfer"); or

b. book-entry in the Depository Register in accordance with the Act.

Instrument of transfer to be executed.

42. The instrument of transfer of a share which is the subject of a registered transfer shall be signed by or on behalf of both the transferor and the transferee and be witnessed and the transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the Register in respect thereof. CDP may transfer any share in respect of which its name is entered in the Register by means of a registered transfer. CDP shall not be required as transferee to sign any form of transfer for the transfer of shares to it. The Directors may dispense with the execution of the instrument of transfer by the transferee and the requirement that the instrument of the transfer be witnessed in any case in which they think fit in their discretion to do so. Shares of different classes shall not be comprised in the same instrument of transfer. This Article 42 shall not apply to any transfer of shares by way of book-entry in compliance with the Act.

Restriction on transfer.

43. No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind but nothing herein contained shall be construed as imposing on the Company any liability in respect of the registration of such transfer if the Company has no actual knowledge of the same.

Nothing in this Article shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

Instrument of transfer to be retained.

44. In the case of registered transfers, all instruments of transfers submitted which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.

Transfer fee.

45. In the case of a registered transfer, a fee not exceeding two dollars for each transfer as the Directors may from time to time determine shall be charged for the registration of a transfer except that CDP shall not be liable to pay any fee in respect of the registration of a transfer.

46. *In the case of a registered transfer, the Directors may decline to register any transfer of shares on which the Company has a lien.*

Power of directors to refuse to register transfer.

47. *In the case of a registered transfer, if the Directors refuse to register any transfer of any shares they shall serve on the transferor and transferee, within ten Market Days of the day on which the transfer was lodged with the Company, a notice in writing informing each of them such refusal and the reasons therefor.*

Notice of refusal to register to be sent by Company.

48. *The Company shall provide a book to be called "Register of Transfers", which shall be kept under the control of the Directors, and in which shall be entered the particulars of every transfer or transmission of shares (other than a transfer or transmission of shares by means of book-entry in the Depository register).*

Register of Transfers.

49. *The Register of Transfers may be closed at such times and for such period as the Directors may from time to time determine, provided always that it shall not be closed for more than thirty days in any calendar year, and during such periods the Directors may suspend the registration of transfers. Ten market Days' notice (or such shorter notice as the Exchange may agree) of such closure shall be advised to any stock exchange upon which the Company is listed, stating the period and purpose or purposes for which the closure is being made.*

Closure of Register of Transfers.

50. *Subject as hereinbefore provided, the Company shall be entitled to destroy:–*

Destruction of records.

a. *at any time after the expiration of six years from the date of registration thereof or on which an entry in respect thereof shall have been made (as the case may be), all instruments of transfer of shares, options, warrants, loan stocks or debentures or other forms of security of the Company which shall have been so registered or entered and all letters of request, renounced allotment letters, renounceable share certificates, forms of acceptance and transfer and applications for allotment and all records on microfilm or on any other system of data recording and storage;*

b. *at any time after the expiration of one year from the date of cancellation thereof, all registered certificates for shares or debentures or representing any other form of security of the Company (being certificates for shares, debentures or other securities in the name of a transferor and in respect whereof the Company has registered a transfer) and all mandates and other written directions as to the payment of dividends or interest (being mandates or directions which have been cancelled); and*

c. *at any time after the expiration of one year from the date of the recording thereof, all notifications of change of name or address;*

and it shall conclusively be presumed in favour of the company that:–

i. every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered;

ii. every certificate for shares or debentures or representing any other form of security so destroyed was a valid certificate duly and properly cancelled; and

iii. every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company.

Provided that:–

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

2. nothing herein contained shall be construed as imposing on the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of Proviso (1) above are not fulfilled;

3. references herein to the destruction of any documents may include references to the disposal thereof in any manner; and

4. any document referred to in this Article 50(b) and (c) may be destroyed at a date earlier than that authorised by this Article Provided That a copy of such document shall have been made in any form whether in electronic or digital form which shall not be destroyed before the expiration of the period applicable to the destruction of the original of such document and in respect of which the Directors shall take adequate precautions for guarding against falsification and for facilitating its production.

TRANSMISSION OF SHARES

Transmission of shares.

51. In the case of the death of a Member, the survivor where the deceased was a joint registered holder or joint Depositor, and the legal personal representative of the deceased where he was a sole or only surviving registered holder or joint Depositor, save as otherwise provided herein or required or provided by law, shall be the only person recognised by the Company as having any title to or interest in respect of his shares, but nothing herein contained shall release the estate of a deceased holder or Depositor from any liability in respect of any share in respect of which he was Member solely or jointly.

Title on death or bankruptcy.

52. Any person becoming entitled to a share in consequence of the death or bankruptcy of a registered holder of a share shall upon producing such evidence of his title as the Directors may require, have the right either to be registered himself as the holder of the share or to make such transfer thereof as the deceased or bankrupt holder could have made, but the Directors shall in either case have the same right to refuse or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt holder before the death or bankruptcy.

If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him and stating that he so elects. For the purposes of these Articles relating to the registration of transfer of shares, such notice shall be deemed to be a transfer and the Directors shall have the same power of refusing to give effect thereto by registration as if the event upon which the transmission took place had not occurred and the notice were a transfer executed by the person from whom the title by transmission is derived.

In the case of any person becoming entitled to the interest of a Depositor in respect of a share in consequence of the death of the Depositor, Section 130K(1) shall apply.

Persons entitled to dividends on transmission.

53. A person becoming entitled to a share or an interest in respect of a share in consequence of the death or bankruptcy of any Member shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right to receive notice of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a Member in respect of the share, unless and until he shall be registered as the holder or named in the Depository Register as the Depositor in respect thereof Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered or named in the Depository Register himself or to transfer the share and if the notice is not complied in accordance with these Articles within ninety days the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

Fee on registration of probate, etc.

54. The Company shall be entitled to charge a fee not exceeding ten dollars or such other sum as may be determined from time to time on the registration in the Register of every probate, letter of administration, death or marriage certificate, power of attorney, notice in lieu of distringas or other instruments.

CONVERSION OF SHARES INTO STOCK

55. *The Company in General Meeting may convert any paid-up shares into stock and may from time to time reconvert such stock into paid-up shares of any denomination.*

Conversion of shares into stock.

56. *When any shares have been converted into stock the several holders of and Depositors in respect of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in General Meeting shall direct, but in default of any direction then in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances will admit. The Directors may if they think fit from time to time fix the minimum amount of stock transferable Provide That such minimum shall not exceed the nominal amount of the shares from which the stock arose.*

Stockholders entitled to transfer interest.

57. *The several holders of and Depositors in respect of stock shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same rights, privileges and advantages for the purposes of voting at meetings of the Company and for other purposes as if they held or were Depositors in respect of the shares from which the stock arose, but so that none of such rights, privileges or advantages (except the participation in the dividends, profits and assets of the Company) shall be conferred by any such part of consolidated stock as would not, if existing in shares, have conferred such rights, privileges or advantages.*

Stockholders entitled to profits.

58. *All such provisions of these Articles as are applicable to paid up shares shall apply to stock and in all such provisions the words "shares" and "shareholder" shall include "stock" and "stockholder".*

Definitions.

INCREASE OF CAPITAL

59. *The Company in General Meeting may from time to time by Ordinary Resolution, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued have been fully paid up or not, increase its capital by the creation and issue of new shares, such aggregate increase to be of such amount and to be divided into shares of such respective amounts as the Company by the resolution authorising such increase shall direct.*

Power to increase capital.

60. *The new shares shall be issued upon such terms and conditions (including such consideration) and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and, in particular such new shares may be issued with a preferential, qualified or postponed right to dividends, and in the distribution of assets of the Company, and with a special or without any right of voting.*

On what conditions new shares may be issued.

Shareholders' rights of pre-emption.

61. Unless otherwise determined and subject to such other terms and conditions as may be determined by the Members in General Meeting, or unless permitted under the listing rules of the Exchange as may be in force from time to time, all new shares shall, before issue, be offered to such Members as at the date of the offer are entitled to receive notices from the Company of General Meetings, in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may subject to these Articles dispose of those shares in such manner as they think most beneficial to the Company Provided Always that the Directors shall have the absolute discretion to determine whether or not such offer shall be made to any Member in any country or jurisdiction outside the Republic of Singapore. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to the shares of the persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered in the manner hereinbefore provided or which are not offered to Members outside the Republic of Singapore.

New capital considered part of original capital.

62. Subject to any directions that may be given in accordance with the powers contained in the Memorandum of Association or these Articles, any capital raised by creation of new shares shall be considered as part of the original capital and as consisting of ordinary shares and shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of the original capital.

ALTERATIONS OF CAPITAL

Alteration of capital.

63. The Company may –

1. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between shares of Members to be consolidated determine which particular shares are to be consolidated into each consolidated share and in the case of any shares of Members being consolidated with shares of another Member may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for such purpose may appoint some person to transfer the consolidated share to the purchaser and arrange either for the distribution among the persons entitled thereto of the net proceeds of such sale after deduction of the expenses of sale or for the payment of such net proceeds to the Company Provided that when the necessary unissued shares are available the Directors may in each case

where the number of shares in respect of which any holder or Depositor is a Member is not an exact multiple of the number of shares to be consolidated into a single share issue to each such holder or Depositor credited as fully paid up by way of capitalisation the minimum number of shares required to round up his shareholding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation) and the amount required to pay up such shares shall be appropriated at the Directors' discretion from any of the sums standing to the credit of any of the Company's Reserve Accounts (including Share Premium Account and Capital Redemption Reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares;

2. *cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; or*

3. *by subdivision of its existing shares or any of them divide its capital or any part thereof into shares of smaller amount than is fixed by its Memorandum of Association and so that as between the holders or Depositors of the resulting shares one or more of such shares may by the resolution by which the subdivision is effected be given any preference or advantage as regards dividend, capital, voting or otherwise over the others or any other of such shares;*

4. *reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with and subject to any matter or consent required by law.*

MODIFICATION OF CLASS RIGHTS

64. *Subject to provisions of the Act, all or any of the special rights or privileges attached to any class of shares in the capital of the Company for the time being may, at any time, as well before as during liquidation, be modified, affected, altered or abrogated, either with the consent in writing of the Members in respect of not less than three-fourths of the issued shares of the class, or with the sanction of a Special Resolution passed at a separate General Meeting of the Members in respect of shares of the class, and all the provisions contained in these Articles relating to General Meeting shall mutatis mutandis apply to every such meeting, but so that the quorum thereof shall be not less than two persons personally present and being or representing by proxy of one-third of the issued shares of the class, and that any Member in respect of shares of the class, present in person or by proxy, shall on a poll be entitled to one vote for each share of the class in respect of which he is a Member, and if at any adjourned meeting of such Members such quorum as aforesaid is not present, any two Members in respect of shares of the class who are personally present shall be a*

Modification of class rights.

quorum. The Directors shall comply with the provisions of Section 186 of the Act as to forwarding a copy of any such consent or resolution to the Registrar of Companies."

(ii) The rights of Shareholders in respect of voting

"***GENERAL MEETINGS***

69. *In addition to any other meetings, a General Meeting shall be held once at least in every calendar year, at such time and place as may be determined by the Directors, but so that no more than fifteen months shall be allowed to elapse between any two such General Meetings.* *General Meetings.*

70. *The abovementioned General Meetings shall be called Annual General Meetings. All other General Meetings shall be called Extraordinary General Meetings.* *Annual General Meetings.*

71. *The First Annual General Meeting of the Company shall be held at such time within a period of not more than eighteen months from the date of incorporation of the Company and at such time and place as the Directors may determine.* *First Annual General Meeting.*

72. *The Directors may call an Extraordinary General Meeting of the Company whenever they think fit.* *Directors may call Extraordinary General Meetings.*

73. *The Directors shall, on the requisition of the Members in respect of no less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting of the Company, and in the case of such requisition the following provisions shall have effect:–* *Extraordinary Meetings to be called on requisition of Members.*

    1. *The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office, and may consist of several documents in like form each signed by one or more requisitionists.*

    2. *If the Directors of the Company do not proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists or any of them representing more than one-half of the voting rights of all of them may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit.*

    3. *In the case of a meeting at which a resolution is to be proposed as a Special Resolution the meeting shall be deemed not to be duly convened by the Directors if they do not give such notice as is required by the provisions of the Act.*

4. *Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors.*

74. *Subject to the provisions of the Act relating to the convening of meetings to pass Special Resolutions and agreements for shorter notice, fourteen clear days' notice at the least specifying the place, day, and hour of the meeting, and in case of special business, the general nature of such business, shall be given to all Members and each stock exchange (other than the Exchange) upon which the Company is listed. In the case of the Exchange, any notice convening a meeting (other than for the purpose of passing a special resolution) shall be provided to the Exchange at least ten Market days before such meeting is held (or such other period as may be approved by the Exchange) and a notice convening a meeting to pass a Special Resolution shall be provided to the Exchange at least fifteen Market Days before such meeting is held (or such other period as may be approved by the Exchange). Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such special businesses. Such a notice or a summary thereof shall be published in at least one English Language daily newspaper circulating in Singapore at least fourteen days before such meeting, unless the Directors determine that such publication is impracticable or impossible.* *Notice of meeting.*

75. *Any Member entitled to be present and vote at a meeting or his proxy may submit any resolution to any General Meeting Provided That at least for the prescribed time before the day appointed for the meeting he shall have served upon the Company a notice in writing by him containing the proposed resolution, and stating his intention to submit the same. The prescribed time abovementioned shall be such that, between the date that the notice is served and the day appointed for the meeting, there shall be not less than seven nor more than fourteen intervening days.* *Members may submit resolution to meeting on giving notice to Company.*

76. *Upon receipt of any such notice as in the last preceding Article mentioned, the Secretary shall include in the notice of the meeting in any case where the notice of intention is received before the notice of the meeting is issued, and shall in any other case issue as quickly as possible to the Members notice that such resolution will be proposed.* *Secretary to give notice to Members.*

77. *The omission to give any notice to or non-receipt of any such notice by any Member shall not invalidate the meeting or any resolution passed or proceedings at any such meeting.* *Omission to give notice.*

PROCEEDINGS AT GENERAL MEETINGS

78. *All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is transacted at an Annual General Meeting with the exception of the consideration of the accounts, balance sheets and reports (if any) of the Directors* *Special business.*

and Auditors, the fixing of the fees of Directors, the election of Directors in the place of those retiring, the declaration of dividends and the appointment of and the fixing of the remuneration of the Auditors.

79. *Except at any time when a corporation is the sole Member, two Members present in person or by proxy shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the business. For the purposes of this Article "Member" includes a person attending as proxy. A corporation being a Member shall be deemed to be personally present if represented in accordance with the provisions of Article 94.* *Quorum.*

80. *If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum.* *If quorum not present.*

81. *The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to act as Chairman, the Members present shall choose some Director, or, if no Director be present, or if all the Directors present decline to take the chair, one of themselves to be Chairman of the meeting.* *Chairman.*

82. *The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Whenever any meeting is adjourned for fourteen days or more, at least three days' notice of the place and hour of such adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.* *Power to adjourn.*

83. *At every General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person or by proxy and entitled to vote, unless before or upon the declaration of the result of the show of hands a poll be demanded by the Chairman of the meeting or by not less than three Members present in person or by proxy, and entitled to vote at the meeting or by a Member or Members present in person or by proxy and representing less than one-tenth of the total voting rights of all Members having the right to vote at the meeting or by a Member in respect of shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that* *How matters to be decided.*

right. Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

84. *If a poll is duly demanded, it shall be taken in such manner as the Chairman directs, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Demand of a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question on which a poll has been demanded.* *Chairman's direction as to poll.*

85. *In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, as the case may be, shall have a second or casting vote.* *In the event of equality of votes.*

86. *No poll shall be demanded on the election of a Chairman of a meeting or on a question of adjournment. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.* *Poll on election of Chairman.*

87. *If any votes shall be counted which ought to not have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, or at any adjournment thereof, and unless in the opinion of the Chairman at the meeting or at any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of the voting.* *Error in counting of votes.*

88. *A resolution in writing signed by all the Members or their agents authorised in writing shall (except where a meeting is prescribed by the Act) be as valid and effectual as if it has been passed at a meeting of the Members duly convened and held, and any such resolution may consist of several documents in like form, each signed by or on behalf of one or more Members. For the purposes of this Article, "in writing" and "signed" shall include approval by telex or facsimile. In the case of a corporate body which is a Member such resolution may be signed on its behalf by any two of its directors or by any person (whether identified by name or by reference to the holdings of any particular office) duly authorised by such corporate body by resolution of its directors or other governing body or by Power of Attorney to sign resolutions on its behalf.* *Written resolution.*

VOTES OF MEMBERS

89. *Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a meeting of Members of classes of Members, each Member entitled to be present and to vote may vote in person or proxy. On a show of hands every Member present in person* *Voting rights.*

and each proxy shall have one vote and on a poll, every Member present in person or by proxy shall have one vote for each share in respect of which he is a Member of represents and upon which all calls or other sums due thereon to the Company have been paid Provided Always That:–

i. Where a Member is represented by one or more proxies, only the first named proxy specified in the relevant instrument of proxy shall be deemed to be authorised to vote on a show of hands and the second named proxy shall not be so entitled to vote unless the first named proxy is not present or fails to cast a vote;

ii. If the Member is a Depositor the Company shall be entitled on a poll to accept as validly cast by a Depositor votes in respect of such number of shares as is equal to the number of shares appearing against his name in the Depository Register 48 hours prior to the commencement of the relevant general meeting as certified by CDP to the Company.

90. In the case of joint Members the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Members; and for this purpose seniority shall be determined by the order in which the names stand in the Register or the Depository Register, as the case may be.

Right of joint members.

91. Save as herein expressly provided, no person other than a Member who is duly registered or who is certified by CDP as named in the Depository Register forty-eight hours before the General Meeting and who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to be present or to vote on any question either personally or by proxy at any General Meeting.

Members only entitled to vote if transfer effected.

92. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by the committee, curator bonis, or other person in the nature of committee or curator bonis appointed by that Court, and any such committee, curator bonis, or other person may, on a show of hands or on a poll, vote by proxy.

Votes of Members of unsound mind.

93. Votes whether by a show of hands or on a poll may be given either personally or by proxy, attorney or representative. A proxy need not be a Member of the Company.

Votes to be given be proxy or personally.

94. Any corporation which is a Member may, by resolution of its directors, authorise any person to act as its representative at any meetings of the Company; and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual shareholder.

Corporation may attend by representative.

95. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under seal, or under the hand of an official or attorney duly authorised. An instrument of proxy shall not, unless the Directors in their absolute discretion determine otherwise, be required to be witnessed.

Instrument of proxy to be in writing.

96. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power or authority shall, if required by law, be duly stamped and deposited at the Office, not less than forty-eight hours before the time for holding the meeting, or adjourned meeting, at which the person named in the instrument proposes to vote, and in default the instrument of proxy or attorney shall not be treated as valid.

Authority to sign instrument of proxy to be deposited with Company.

97. A Member may appoint not more than two proxies to attend and vote at the same General Meeting. A Member appointing more than one proxy shall specify the percentage of shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding and the second named proxy shall be deemed to be an alternate to the first named. An instrument appointing a proxy shall be in such form as the Directors may from time to time approve. The Company shall be entitled (i) to reject any instrument of the proxy executed by a Depositor if the Depositor's name does not appear in the Depository Register forty-eight hours prior to the commencement of the relevant General Meeting as certified by CDP to the Company, and (ii) for the purpose of a poll, to treat an instrument of proxy executed by a Depositor as representing the number of shares equal to the number of shares appearing against his name in the Depository Register referred to in (i) above, notwithstanding the number of shares actually specified in the relevant instrument of proxy.

Appointment of proxies.

98. A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given Provided That no notice in writing of the death or revocation or transfer shall have been received at the Office at least forty-eight hours before the time fixed for holding the meeting.

When vote by proxy valid through authority revoked.

99. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

Instrument deemed to confer authority to demand for poll.

100. Where the capital of the Company consists of shares of different monetary denominations, voting rights may, at the discretion of the Board, be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable."

Voting in respect of shares of different monetary denominations.

(iii) The rights of Shareholders in respect of dividends

"***DIVIDENDS***

138. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles as to the reserve fund shall be divisible among the Members in proportion to the amount of capital paid up on their shares respectively.

Appropriation of profits.

139. The Company in General Meeting may declare a dividend to the Members according to their rights and interests in the profits and may fix the time for payment. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.

Declaration of Dividend.

140. No dividend shall be payable except out of the profits of the Company or pursuant to Section 69 of the Act. No dividend shall carry interest.

Dividend payable out of profits.

141. The declaration of the Directors as to the net profits of the Company shall be conclusive.

Declaration conclusive.

142. The Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies provided that no such dividends shall be declared more than once in six months.

Interim dividend.

143. The Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.

Debts may be deducted.

144. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer or the entry of the transfer in the Depository Register, as the case may be.

Effect of transfer.

145. Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of wholly or partly paid-up shares, debentures or debenture stock of the Company, or wholly or partly paid-up shares, debentures, or debenture stock of any other company, or in any one or more of such ways, and the Directors shall give effect to such resolution; and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue factional certificates, and may fix the value for distribution of such specific assets, or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trust for the persons entitled to the dividend as may seem expedient to the Directors. Where requisite, a proper contract shall be filed in accordance with Section 63 of the

Dividend in specie.

Act, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend, and such appointment shall be effective.

146. *The Company may retain the dividends payable upon shares or any part thereof in respect of which any person is, under Article 52, entitled to become entered in the Register or the Depository Register, as the case may be, as a Member, or which any person under that Article is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.* *Power to retain dividends.*

147. *In case several persons are jointly Members in respect of any shares, any one of such persons may give effectual receipts for dividends and payment on account of dividends in respect of such shares.* *Any joint Member may give receipt.*

148. *Notice of declaration of any dividend, whether interim or otherwise, may be given by advertisement.* *Notice of dividend.*

149. *Unless otherwise directed, any dividend may be paid by cheque, warrant or Post Office Order, sent through the post to the address of the Member entitled appearing in the Register or the Depository Register, as the case may be, or in the case of a joint Member to that one whose name shall stand first on the Register or the Depository Register, as the case may be, in respect of the joint shareholding, and every cheque, warrant or Post Office Order so sent shall be made payable to the order of the person to whom it is sent. The Company shall not be responsible for the loss of any cheque, dividend warrant of Post Office Order, which shall be sent by post duly addressed to the Member for whom it is intended. The payment by the Company to CDP of any dividend payable or distribution due to a Depositor shall, to the extent of the payment or distribution made, discharge the Company from any liability in respect of the payment or distribution.* *Payment by post.*

150. *All dividends unclaimed for one year after having been declared, may be invested or otherwise made use of by the Directors of the benefit of the Company until claimed.* *Unclaimed dividends.*

151. *So long as shares in the capital of the Company are listed for quotation on the Exchange, the Directors shall have power generally to take such steps (not inconsistent with these Articles) as they may deem necessary, advisable or appropriate to achieve or facilitate the trading of the Company's shares, debentures or other securities through the Central Depository System established under the Act.* *Central Depository System.*

CAPITALISATION OF PROFITS AND RESERVES

Capitalisation of profits and reserves.

152. (1) Subject to the approval of the Company in General Meeting (whether such approval is pursuant to an authorisation to the Directors to exercise the power of the Company to issue shares generally pursuant to Article 6 or otherwise), the Directors may resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of (i) any of the Company's reserve funds (whether of a capital or income nature) or (ii) the profit and loss account or otherwise available for distribution; and accordingly that in either case such sum be set free for distribution amongst the Members entitled to receive distributions by way of dividends and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares of such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members or their nominees in the proportion aforesaid or partly in the one way and partly in the other.

Provided That a share premium account and a capital redemption reserve fund may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to Members or their nominees as fully paid bonus shares unless otherwise permitted by the provisions of the Act.

(2) Whenever such resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the amounts resolved to be fully capitalised thereby and all allotments and issues of fully or partly paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision for the satisfaction of the right of any Member under such resolution to a fractional part of a share by payment in cash or otherwise as they think fit and also to authorise any person to enter on behalf of the Members entitled thereto or their nominees into an agreement with the Company providing for the allotment to them respectively credited as fully or partly paid-up of any further shares to which they may be entitled upon such capitalisation or, as the case may be, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the amounts to be capitalised, of the amounts or any part of the amounts remaining unpaid on these existing shares or debentures. Any agreement made under such authority shall be effective and binding on all such Members and their nominees."

(iv) The rights of Shareholders in respect of notices

"***NOTICES***

163. A notice or other document may be served by the Company upon a Member, either personally, or by sending it through the post in a prepaid letter or by telex or facsimile transmission addressed to such Member at his address as appearing in the Register or the Depository Register, as the case may be. Notwithstanding the aforesaid provisions, where the Directors have determined that any notice or other document shall not be served to a Member in any country or jurisdiction outside the Republic of Singapore, any Member who is described in the Register or the Depository Register, as the case may be, by an address not within the Republic of Singapore shall be deemed to be duly served with such notice or document when such notice or document is duly posted up in the Office or advertised in a newspaper circulating in Singapore.

How notices documents to be served.

164. All notices directed to be given to the Members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the Register or the Depository Register, as the case may be, and notice so given shall be sufficient notice to all the holders of such share.

Notice to joint Members.

165. Any Member described in the Register or the Depository Register, as the case may be, by an address not within the Republic of Singapore who shall from time to time give the Company or CDP, as the case may be, an address within the Republic of Singapore at which notices may be served upon him shall be entitled to have served upon him at such address any notice to which he would be entitled under these Articles.

Address for service.

166. As regards Members who have no address appearing in the Register or the Depository Register, as the case may be, or who have not provided to the Company or CDP, as the case may be, an address within the Republic of Singapore at which notices may be served, a notice posted up in the Office shall be deemed to be duly served on them when such notice is duly posted up in the Office or advertised in a newspaper circulating in Singapore.

Where no address.

167. Any document other than a notice required to be served on a Member, may be served in like manner as a notice may be given to him under these Articles. The signature to any such notice or document (if any) may be written or printed.

Service of documents.

168. Any notice or other document required to be sent or served upon the Company or upon any officer of the Company may be sent or served by leaving the same or sending it through the post in a prepaid letter, envelope or wrapper or by telex or facsimile transmission addressed to the Company or to such officer at the Company.

Service on company.

When service effected.

169. Any notice or other document, if served personally or sent by post, shall be deemed to have been served at the time the same is left at the address of the Member in the Register or the Depository Register, as the case may be, if served personally and at the time when the letter containing the same is put into the post if sent by post, (and in proving such service or sending it shall be sufficient to prove that the letter containing the notice or document was properly addressed and put into the post office) and at the same time the same would have reached the Member in the normal course if sent by telex or facsimile transmission.

Transferees bound by prior notice.

170. Every person who, by operation of law, transfer or any other means whatsoever, becomes entitled to any share shall be bound by every notice in respect of such share which prior to his name and address being entered on the Register or the Depository Register, as the case may be, shall by duly given to the person from whom he derives his title in respect of such share.

Notice valid through Member deceased.

171. Any notice or document served upon or sent to, or left at the address in the Register or the Depository Register, as the case may be, of any Member in pursuance of these Articles, shall, notwithstanding that such Member be then deceased or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share in respect of which he is a Member, whether solely or jointly with other persons, until some other person be registered or named in the Depository Register in his stead as a Member or joint Member in respect of such share, and such service shall, for all purposes of these Articles, be deemed a sufficient service of such notice or document on his executors, administrators or assigns, and all persons (if any) jointly interested with him in such share."

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