CIRCULAR DATED 12 MARCH 2018

THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF THE IFA (AS DEFINED HEREIN). THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

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

If you have sold or transferred all your Shares (as defined herein), 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 correctness of any of the statements made, reports contained, opinions expressed or advice given in this Circular.

LTC CORPORATION LIMITED

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

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by

OVERSEA-CHINESE BANKING CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 193200032W)

for and on behalf of

MOUNTBATTEN ENTERPRISES PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 201801768N)

Independent Financial Adviser to the Independent Directors

ASIAN CORPORATE ADVISORS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 200310232R)

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

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DEFINITIONS

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

GENERAL

"**2Q FY2018**"	:	Second quarter ended 31 December 2017
"**2Q FY2018 Results**"	:	Unaudited consolidated financial statements of the LTC Group for 2Q FY2018 and 6M FY2018, which were issued in the Company's SGXNET announcement on 8 February 2018
"**6M FY2018**"	:	Six (6)-month period ended 31 December 2017
"**Acceptance Condition**"	:	Shall have the meaning ascribed to it in section 2.5 of this Circular
"**Accepting Shareholder**"	:	A Shareholder who validly tenders his Shares in acceptance of the Offer
"**Business Day**"	:	A day (other than a Saturday, a Sunday or a gazetted public holiday in Singapore) when banks in Singapore are open for business
"**Circular**"	:	This circular to Shareholders enclosing, *inter alia*, the IFA Letter
"**Closing Date**"	:	5.30 p.m. (Singapore time) on 26 March 2018, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
"**Code**"	:	The Singapore Code on Take-overs and Mergers, as amended from time to time
"**Companies Act**"	:	The Companies Act (Chapter 50 of Singapore)
"**Company Securities**"	:	(a) Shares; (b) other securities which carry voting rights in the Company; and (c) convertible securities, warrants, options or derivatives in respect of the Shares or other securities which carry voting rights in the Company
"**Constitution**"	:	The constitution of the Company
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date
"**Distributions**"	:	In respect of the Offer Shares, all dividends, rights, other distributions and return of capital
"**Encumbrances**"	:	Any claim, charge, lien, mortgage, encumbrance, hypothecation, retention of title, power of sale, equity, option, right of pre-emption, right of first refusal or other third party right or interest of any nature whatsoever
"**Excluded Directors**"	:	Shall have the meaning ascribed to it in section 11.2 of this Circular
"**FAA**"	:	The Form of Acceptance and Authorisation for Offer Shares in respect of the Offer, which is applicable to Shareholders whose Offer Shares are deposited with CDP and which forms part of the Offer Document

"**FAT**"	:	The Form of Acceptance and Transfer for Offer Shares in respect of the Offer, which is applicable to Shareholders whose Offer Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of the Offer Document
"**FY**"	:	Financial year ended or ending, as the case may be, 30 June
"**IFA Letter**"	:	The letter dated 12 March 2018 from the IFA to the Independent Directors in respect of the Offer as set out in Appendix I to this Circular
"**Independent Directors**"	:	The Directors who are considered independent for the purposes of the Offer, namely: (a) Mr Ong Teong Wan; (b) Dato' Mazlan Bin Dato' Seri Harun; and (c) Mr Chay Yee
"**Interested Person**"	:	As defined in the Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: (a) a director, chief executive officer, or substantial shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
"**Irrevocable Undertakings**"	:	The irrevocable undertakings provided by each of the Undertaking Shareholders to the Offeror to, *inter alia*, accept the Offer, as more particularly described in section 7 of this Circular
"**Latest Practicable Date**"	:	26 February 2018, being the latest practicable date prior to the printing of this Circular
"**Listing Manual**"	:	The Listing Manual of the SGX-ST, as amended from time to time
"**Offer**"	:	The voluntary conditional cash offer made by OCBC Bank, for and on behalf of the Offeror, for all of the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror

"**Offer Announcement**"	:	The announcement of the Offer released by OCBC Bank, for and on behalf of the Offeror, on the Offer Announcement Date
"**Offer Announcement Date**"	:	9 February 2018, being the date of the Offer Announcement
"**Offer Document**"	:	The offer document dated 26 February 2018, including the FAA, the FAT, and any other document(s) which may be issued by or on behalf of the Offeror, to amend, revise, supplement or update this document(s) from time to time
"**Offer Document Despatch Date**"	:	26 February 2018, being the date of despatch of the Offer Document
"**Offer Document LPD**"	:	19 February 2018, being the latest practicable date prior to the printing of the Offer Document
"**Offer Price**"	:	Shall have the meaning ascribed to it in section 2.1 of this Circular
"**Offer Shares**"	:	Shall have the meaning ascribed to it in section 2.2 of this Circular
"**Offer Unconditional Date**"	:	Date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms
"**Offeror Securities**"	:	(a) Offeror Shares; (b) securities which carry substantially the same rights as the Offeror Shares; and (c) convertible securities, warrants, options or derivatives in respect of any Offeror Shares or other securities which carry substantially the same rights as the Offeror Shares
"**Offeror Shares**"	:	Issued ordinary shares in the capital of the Offeror
"**Overseas Shareholders**"	:	Shareholders whose addresses as shown in the Register of the Company or in the records of CDP (as the case may be) are outside Singapore
"**Register**"	:	The register of Shareholders, as maintained by the Registrar
"**Rule 22.6 Period**"	:	Shall have the meaning ascribed to it in section 4.1(c) of this Circular
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
"**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)
"**Shareholders**"	:	Holders of the Shares as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register
"**Shares**"	:	Issued ordinary shares in the capital of the Company
"**Shut-Off Notice**"	:	Shall have the meaning ascribed to it in section 4.1(c) of this Circular

"**Subject Properties**"	:	The properties of the LTC Group at the following locations: (a) 10, 12, 14 & 16 Arumugam Road "LTC Buildings A, B, C & D" Singapore 409957/58/59/61; (b) 20 Woodlands Loop Singapore 738321; (c) 22 Woodlands Loop Singapore 738914; (d) 37 Senoko Drive Singapore 758222; and (e) Lot No. 100612, Jalan Impian Utama, Taman Impian Skudai, 81300 Skudai, Johor Darul Takzim
"**Valuation Reports**"	:	The valuation reports dated 2 March 2018 issued by the Valuers, as the case may be, in respect of the Subject Properties, of which copies of the valuation certificates are set out in Appendix III to this Circular
"**%**" or "**per cent.**"	:	Per centum or percentage

COMPANIES / ORGANISATIONS / PERSONS

"**CDP**"	:	The Central Depository (Pte) Limited
"**Consortium Members**"	:	The Controlling Shareholders, LI and LR
"**Controlling Shareholders**"	:	Cheng Yong Kim, Cheng Yong Kwang, Cheng Yong Liang and Cheng Yoong Choong
"**CPF**"	:	The Central Provident Fund
"**CPF Agent Banks**"	:	Agent banks included under the CPFIS
"**CPFIS**"	:	Central Provident Fund Investment Scheme
"**CPFIS Investors**"	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
"**IFA**"	:	Asian Corporate Advisors Pte. Ltd., being the independent financial adviser to the Independent Directors in respect of the Offer
"**LI**"	:	Lion Investment (Singapore) Pte. Ltd.
"**LR**"	:	Lion Realty Private Limited
"**LTC**" or the "**Company**"	:	LTC Corporation Limited
"**LTC Group**"	:	The Company and its subsidiaries
"**OCBC Bank**"	:	Oversea-Chinese Banking Corporation Limited
"**Offeror**"	:	Mountbatten Enterprises Pte. Ltd.
"**Other Cheng Family Shareholders**"	:	Cheng Theng Kee, Chen Shok Ching, Cheng Huay Joo, Cheng Hwee Wah and Thiang Thin Poh Joseph
"**Registrar**"	:	B.A.C.S. Private Limited, the share registrar of the Company

"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**SIC**"	:	Securities Industry Council of Singapore
"**SRS**"	:	The Supplementary Retirement Scheme
"**SRS Agent Banks**"	:	Agent banks included under the SRS
"**SRS Investors**"	:	Investors who have purchased Shares pursuant to SRS
"**Undertaking Shareholders**"	:	LI, LR, the Controlling Shareholders and the Other Cheng Family Shareholders
"**Valuers**"	:	Knight Frank Pte Ltd and Knight Frank Malaysia Sdn Bhd

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

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

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

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

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

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

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

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

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

In this Circular, the total number of issued Shares as at the Latest Practicable Date is 156,453,000 Shares. Unless otherwise specified, all references to percentage shareholdings in the capital of the Company in this Circular are based on 156,453,000 Shares in the issued share capital of the Company as at the Latest Practicable Date.

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

SUMMARY TIMETABLE

Despatch Date	:	12 March 2018
Closing Date[1][2]	:	5.30 p.m. (Singapore time) on 26 March 2018 or such later date(s) as may be announced from time to time by or on behalf of the Offeror
Date of settlement of the Offer	:	In respect of valid and complete acceptances received on or before the Offer Unconditional Date, within seven (7) Business Days after the Offer Unconditional Date In respect of valid and complete acceptances received after the Offer Unconditional Date but on or before the Closing Date, within seven (7) Business Days after the date of receipt of each such acceptance
Final date of settlement in respect of the Offer	:	Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with all its terms, within seven (7) Business Days after the Closing Date

Note:

(1) Please also refer to Appendix 1 to the Offer Document for further details.

(2) CPFIS Investors, SRS Investors and other investors who hold Shares through finance companies or Depository Agents will receive notification letter(s) from their respective CPF Agent Banks, SRS Agent Banks, finance companies and Depository Agents. Such investors should refer to those notification letter(s) for details of the last date and time (which may be earlier than the Closing Date) to reply to their respective CPF Agent Banks, SRS Agent Banks, finance companies and Depository Agents in order to accept the Offer.

LTC CORPORATION LIMITED

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

LETTER FROM THE BOARD OF DIRECTORS

Board of Directors:

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

Registered Office:

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

12 March 2018

To : The Shareholders of the Company

Dear Sir/Madam

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

1. INTRODUCTION

1.1 Offer Announcement

On 9 February 2018, being the Offer Announcement Date, OCBC Bank, for and on behalf of the Offeror, announced that the Offeror intends to make a voluntary conditional cash offer for all the Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations or their respective nominees.

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

1.2 Offer Document

Shareholders should have by now received a copy of the Offer Document setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in sections 2 to 3 of the Letter to Shareholders in the Offer Document and Appendix 1 to the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer contained in the Offer Document carefully.**

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

1.3 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining 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 consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding whether to accept or reject the Offer.

2. THE OFFER

Based on the information set out in the Offer Document, subject to the terms and conditions set out in the Offer Document, OCBC Bank has, for and on behalf of the Offeror, made the Offer for all the Offer Shares in accordance with Section 139 of the SFA and the Code on the basis reproduced below.

2.1 Offer Price

Section 2.2 of the Letter to Shareholders in the Offer Document states that the price for each Offer Share (the "**Offer Price**") will be as follows:

For each Offer Share: S$0.925 in cash

The Offer Price is final. The Offeror does not intend to revise the Offer Price, save that the Offeror reserves the right to revise the terms of the Offer in accordance with the Code if a competitive situation arises.

2.2 Offer Shares

Section 2.3 of the Letter to Shareholders in the Offer Document states that the Offer will be extended to all of the Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations or their respective nominees (the "**Offer Shares**").

2.3 Rights and Encumbrances of Shares

Section 2.4 of the Letter to Shareholders in the Offer Document states that the Shares will be acquired:

(a) fully paid;

(b) free from all Encumbrances; and

(c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain (if any) all Distributions announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

2.4 Adjustment for Distributions

Section 2.5 of the Letter to Shareholders in the Offer Document states that if any Distribution is announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date to an Accepting Shareholder and the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offeror reserves the right to reduce the Offer Price payable to such Accepting Shareholder by the amount of such Distribution.

2.5 Acceptance Condition

Section 2.6 of the Letter to Shareholders in the Offer Document states that the Offer is subject to the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which will result in the Offeror and parties acting in concert with the Offeror holding more than 90 per cent. of the total number of Shares as at the close of the Offer (the "**Acceptance Condition**").

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which will result in the Offeror meeting the Acceptance Condition.

The Offeror reserves the right to reduce the Acceptance Condition to a lower level which is more than 50 per cent. of the total number of Shares. In the event that the Acceptance Condition is revised, the revised Offer will remain open for another 14 days following such revision and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptance within eight (8) days of the notification of such revision.

Save for the Acceptance Condition, the Offer is unconditional in all other respects.

2.6 No Options

Section 2.7 of the Letter to Shareholders in the Offer Document states that, as at the Offer Document LPD, based on the latest information available to the Offeror, there are no outstanding options exercisable in respect of the Shares.

3. WARRANTY

Section 2.9 of the Letter to Shareholders in the Offer Document states that a Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof, (a) fully paid; (b) free from all Encumbrances; and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain (if any) all Distributions announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

4. DETAILS OF THE OFFER

4.1 Duration of the Offer

As set out in paragraph 1 of Appendix 1 to the Offer Document:

(a) **First Closing Date.** The Offer is open for acceptance by Shareholders for at least 28 days from the Offer Document Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person is released from any obligation incurred thereunder. **Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 26 March 2018 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

(b) **Subsequent Closing Date(s).** The Offeror is not obliged to extend the Offer. However, if the Offer is extended and:

(i) is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next Closing Date; or

(ii) is unconditional as to acceptances as at the date of such extension, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders who have not accepted the Offer at least 14 days' prior notice in writing before it may close the Offer.

(c) **Offer to Remain Open for 14 days after Being Declared Unconditional as to Acceptances.** In order to give Shareholders who have not accepted the Offer the opportunity to accept the Offer, after the Offer has become or is declared unconditional as to acceptances, the Offer will remain open for a period (the "**Rule 22.6 Period**") of not less than 14 days after the date on which it would otherwise have closed.

This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders at least 14 days' notice in writing (the "**Shut-Off Notice**") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:

(i) the Offeror may not give a Shut-Off Notice in a competitive situation; and

(ii) the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.

If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with paragraph 3.1 of Appendix 1 to the Offer Document, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer would otherwise have closed, whichever is later. For the purposes of this paragraph, a "competitive situation" shall be deemed to arise when either (A) a firm intention to make a competing offer for the Company is announced, whether or not subject to any preconditions or (B) the SIC determines that a competitive situation has arisen.

(d) **Final Day Rule.** The Offer (whether revised or not) will not be capable:

(i) of becoming or being declared unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the Offer Document Despatch Date; or

(ii) of being kept open after such 60-day period unless the Offer has previously become or been declared to be unconditional as to acceptances,

provided that the Offeror may extend the Offer beyond such 60-day period with the SIC's prior consent.

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

(e) **Revision.** The Offeror will not revise the Offer Price, save that the Offeror reserves the right to revise the terms of the Offer in accordance with the Code if a competitive situation arises. Pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.

4.2 Further Details of the Offer

The Offer is made subject to the terms and conditions as set out in the Offer Document. Appendix 1 to the Offer Document sets out further details on (a) the settlement of the consideration for the Offer; (b) the requirements relating to the announcement of the level of acceptances of the Offer; and (c) the right of withdrawal of acceptances of the Offer.

5. PROCEDURES FOR ACCEPTANCE

Appendix 2 to the Offer Document sets out the procedures for acceptance of the Offer.

6. INFORMATION ON THE OFFEROR

Details of the Offeror and the Consortium Members undertaking the Offer through the Offeror are set out in sections 5 to 7 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

"***5. INFORMATION ON THE OFFEROR***

5.1 Introduction. *The Offeror is a special purpose vehicle which has been incorporated in Singapore on 15 January 2018 for the purposes of the Offer. Its principal activity is investment holding.*

Appendix 3 *to this Offer Document sets out additional information on the Offeror.*

5.2 Shareholding Structure. *As at the Latest Practicable Date, the Offeror is jointly owned by each of the Controlling Shareholders in equal proportions and has an issued and paid-up share capital of S$4 comprising four Offeror Shares with each of the Controlling Shareholders owning one Offeror Share.*

LI and LR will subscribe for additional Offeror Shares on or after the close of the Offer pursuant to the Consortium Arrangements (as more particularly described in ***Section 9*** *(****Irrevocable Undertakings****) of this Offer Document). Following completion of the Reinvestments, LI and LR will hold approximately 71.28 per cent. and 28.72 per cent. respectively of all the Offeror Shares.*

5.3 Board of Directors. *As at the Latest Practicable Date, the board of directors of the Offeror comprises four members, consisting of each of the Controlling Shareholders.*

6. INFORMATION ON THE CONSORTIUM MEMBERS

6.1 Lion Investment (Singapore) Pte. Ltd. *LI is an investment company which is 100 per cent. owned by various members of the Cheng family based in Singapore (the "****Cheng Family****"). The board of directors of LI comprises five members, comprising each of the Controlling Shareholders and CTK. CTK is the father of the Controlling Shareholders. CTK is also the chairman and executive director of the Company and a director of LR.*

As at the Latest Practicable Date, LI is a substantial Shareholder and has a direct interest in 53,100,000 Shares, representing approximately 33.94 per cent. of the total number of Shares.

6.2 Lion Realty Private Limited. *LR is an investment company which is 100 per cent. (directly or indirectly) owned by various members of the Cheng Family. The board of directors of LR comprises six members, comprising each of the Controlling Shareholders, CTK and CSC. CSC is the wife of CTK and the mother of the Controlling Shareholders.*

As at the Latest Practicable Date, LR is a substantial Shareholder and has a direct interest in 21,400,000 Shares, representing approximately 13.68 per cent. of the total number of Shares.

6.3 Controlling Shareholders. *The Controlling Shareholders are brothers and, as stated above, each of the Controlling Shareholders is a director of each of LI and LR and, collectively, the Controlling Shareholders own a majority of the shares in the capital of each of LI and LR. CYL is also an executive director and the managing director of the Company and the other Controlling Shareholders are directors of various subsidiaries of the Company.*

As at the Latest Practicable Date, the Controlling Shareholders collectively have a direct interest in 350,000 Shares, representing approximately 0.22 per cent. of the total number of Shares.

7. LION CORPORATION BERHAD'S INTEREST IN SHARES

7.1 Interest in Shares. *Based on disclosure made by CHJ to the Offeror on 13 February 2018, LCB, through its approximately 47.66 per cent. associated company, ACB, has a deemed interest in 11,001,300 Shares, representing approximately 7.03 per cent. of the total number of Shares, comprising 5,583,000 Shares deemed held by Akurjaya, 2,143,300 Shares deemed held by Angkasa and 3,275,000 Shares held by Umatrac. Akurjaya is deemed to be interested in 5,583,000 Shares held by Brooklands.*

The 5,583,000 Shares in which Brooklands has an interest and the 3,275,000 Shares in which Umatrac has an interest, are registered in the name of RHB Securities Singapore Pte Ltd. The remaining 2,143,300 Shares in which Angkasa has a deemed interest are registered in the name of UOB Kay Hian Pte Ltd.

7.2 Relationship of LCB and the Consortium Members. *CYK is a director of LCB and has a total interest in approximately 38.29 per cent. of the shares in the capital of LCB. Under the Code, LCB is presumed to be acting in concert with the Offeror and considered to be an associate of the Offeror.*

In addition, CHJ is the uncle of the Controlling Shareholders. CHJ is also the chairman and managing director of LCB.

7.3 ***Pledged Shares.*** *The 11,001,300 Shares in which LCB has an interest as at 13 February 2018 (the "**Pledged Shares**") had been pledged by ACB as security for ACB's obligations under certain bonds issued by and debts owing by ACB and its subsidiary (the "**ACB Bonds and USD Debts**"). RHB Investment Bank Berhad is the security trustee in respect of the ACB Bonds and USD Debts (the "**Security Trustee**").*

ACB and its subsidiary defaulted on their obligations under the ACB Bonds and USD Debts in 2012 and continue to be in default of such obligations. As a consequence, the Security Trustee has become legally entitled to enforce the security over the Pledged Shares at its discretion and dispose of the Pledged Shares via, inter alia, on-market sales, notwithstanding that Brooklands, Umatrac and Angkasa continue to have an interest in the Pledged Shares.

7.4 ***SIC Confirmation.*** *Pursuant to an application made by the Offeror to the SIC to seek certain rulings in relation to the Offer (the "**SIC Application**"), the SIC has confirmed that the Pledged Shares should not be considered part of the holdings of Shares by the Offeror and parties acting in concert with the Offeror and any dealings in the Pledged Shares by the Security Trustee during the offer period should not be regarded as a dealing by the Offeror or parties acting in concert with the Offeror or its associates.*"

7. IRREVOCABLE UNDERTAKINGS

Details on the Irrevocable Undertakings are set out in section 9 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

"***9. IRREVOCABLE UNDERTAKINGS***

9.1 ***Irrevocable Undertakings.*** *As at the Latest Practicable Date, each of LI, LR, the Controlling Shareholders and the Other Cheng Family Shareholders (collectively, the "**Undertaking Shareholders**") has given an irrevocable undertaking (the "**Irrevocable Undertaking**") to the Offeror to, inter alia:*

9.1.1 *tender all the Shares that it holds in aggregate as at the date of the Irrevocable Undertaking and any other Shares which it may subsequently acquire (directly or indirectly or through a nominee) after the date of the Irrevocable Undertaking, in acceptance of the Offer by no later than 5 p.m. (Singapore time) on the third business day after the date of despatch of the Offer Document or such later date as may be agreed between the relevant Undertaking Shareholder and the Offeror;*

9.1.2 *in the case of the Controlling Shareholders and the Other Cheng Family Shareholders, to receive the Offer Price in respect of its Shares in cash; and*

9.1.3 *in the case of each of LI and LR, in accordance with the Consortium Arrangements, to direct that all the consideration payable for its Shares be applied to subscribe for new Offeror Shares on or after the close of the Offer at the issue price of S$1 per Offeror Share (the "**Reinvestments**", and the Irrevocable Undertakings by LI and LR being the "**Reinvestment Irrevocable Undertakings**").*

9.2 ***Other Cheng Family Shareholders.*** *The Other Cheng Family Shareholders are:*

9.2.1 *CTK;*

9.2.2 *CSC;*

9.2.3 *CHJo, sister of the Controlling Shareholders;*

9.2.4 *CHW, sister of the Controlling Shareholders; and*

9.2.5 *JT, the son-in-law of CTK and CSC,*

*(collectively, the "**Other Cheng Family Shareholders**"). As at the Latest Practicable Date, the Other Cheng Family Shareholders collectively have a direct interest in 1,094,000 Shares, representing approximately 0.70 per cent. of the total number of Shares.*

9.3 Aggregate Holdings. As at the Latest Practicable Date, the Undertaking Shareholders hold in the aggregate 75,944,000 Shares, representing approximately 48.54 per cent. of the total number of Shares.

Based on the Irrevocable Undertakings, the details of the Undertaking Shareholders and the number of Shares to be tendered in acceptance of the Offer by each Undertaking Shareholder pursuant to the Irrevocable Undertaking are as follows:

Undertaking Shareholder	***No. of Shares to be tendered in acceptance of the Offer***	***Percentage of the total number of Shares (%)***	***Amount of consideration entitled to (S$)***	***Amount of consideration to be applied to subscribe for new Offeror Shares (S$)***
LI	*53,100,000*	*33.94*	*49,117,500*	*49,117,500*
LR	*21,400,000*	*13.68*	*19,795,000*	*19,795,000*
CTK	*300,000*	*0.19*	*277,500*	*–*
CSC	*34,000*	*0.02*	*31,450*	*–*
CYK	*50,000*	*0.03*	*46,250*	*–*
RCYK	*120,000*	*0.08*	*111,000*	*–*
CYL	*150,000*	*0.10*	*138,750*	*–*
CYC	*30,000*	*0.02*	*27,750*	*–*
CHJo	*99,000*	*0.06*	*91,575*	*–*
CHW	*11,000*	*0.01*	*10,175*	*–*
JT	*650,000*	*0.42*	*601,250*	*–*
Total	*75,944,000*	*48.54*	*70,248,200*	*68,912,500*

9.4 Termination. *The Irrevocable Undertakings will terminate or lapse upon the earlier of:*

9.4.1 *the Offer being withdrawn or lapsing; and*

9.4.2 *the Offer not being formally made by the Offeror (by the posting of the Offer Document) on or before 2 March 2018, or such other date as may be extended by the mutual agreement of the Offeror and the Consortium Members, subject to the consent of the SIC and the requirements of the Code.*

9.5 SIC Confirmation. *Pursuant to the SIC Application, the SIC has confirmed that the consortium agreement among the Consortium Members, the Reinvestment Irrevocable Undertakings and the Reinvestments (collectively, the "**Consortium Arrangements**") do not constitute a special deal for the purposes of Rule 10 of the Code.*"

8. OFFEROR'S RATIONALE FOR THE OFFER

The Offeror's rationale for the Offer is set out in section 10 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

"***10. RATIONALE FOR THE OFFER***

10.1 Opportunity for Shareholders to Exit their Investment in the Shares at a Compelling Premium. *The Shares have not been transacted on the SGX-ST at or above the Offer Price since the year 2000. The Offer Price represents a premium of approximately 46.1 per cent., 45.4 per cent., 44.1 per cent. and 49.4 per cent. over the volume weighted average price ("**VWAP**") per Share for the one-month, three-month, six-month and twelve-month periods respectively up to and including the Last Trading Day and a premium of approximately 44.5 per cent. over the closing price per Share of S$0.640 as quoted on the SGX-ST on the Last Trading Day. The Offer therefore represents an attractive cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium to the prevailing market prices, without incurring other brokerage and trading costs.*

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

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

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

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

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

9. OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror's intentions relating to the Company are set out in sections 11 to 13 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

"***11. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY***

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

12. COMPULSORY ACQUISITION

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

In the event that the Offeror becomes entitled to compulsorily acquire all the Offer Shares of the Dissenting Shareholders, the Offeror intends to exercise such rights. In such event, the Company will become a wholly-owned subsidiary of the Offeror and the Offeror will then proceed to delist the Company from the SGX-ST.

12.2 Dissenting Shareholders' Right. *In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of Shares, the Dissenting Shareholders have a right to require the Offeror to acquire their Shares at the Offer Price. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.*

13. LISTING STATUS OF THE COMPANY

13.1 Listing Status of the Company. *Under Rule 723 of the Listing Manual, the Company must ensure that at least 10 per cent. of the total number of the Shares (excluding treasury shares) is at all times held by the public (the "**Free Float Requirement**").*

Under Rule 1105 of the Listing Manual, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public.

Further, under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the Shares (excluding treasury shares), thus causing the percentage of the Company's total number of Shares (excluding treasury shares) in public hands to fall below 10 per cent., the SGX-ST will suspend trading of Shares at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not complied with, 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 states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the proportion of the Shares held by members of the public to be raised to at least 10 per cent., failing which the Company may be delisted from the SGX-ST.

13.2 Intention of the Offeror. *In the event the Offeror is unable to exercise the right to compulsorily acquire all the Shares not acquired under the Offer as set out in **Section 12** (**Compulsory Acquisition**) of this Offer Document and the Company does not meet the Free Float Requirement under Rule 723 of the Listing Manual, **the Offeror and parties acting in concert with the Offeror do not intend to support any action taken or to be taken to meet the Free Float Requirement or maintain the present listing status of the Company**.*

Accordingly, the Offeror and parties acting in concert with the Offeror do not intend to place out any Shares held by the Offeror and parties acting in concert with the Offeror to members of the public to meet the Free Float Requirement. If the Company does not meet the requirements under Rule 723 of the Listing Manual, the SGX-ST may suspend trading of the Shares on the SGX-ST following the close of the Offer.

In addition, the Offeror intends to, and hereby reserves its right, to take steps at an appropriate time, whether during or after the Offer, to seek a voluntary delisting of the Company from the SGX-ST, where permitted by, and in accordance with, the relevant requirements of the Listing Manual and the Code."

10. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities and the Offeror Securities as at the Latest Practicable Date, are set out in Appendix II to this Circular.

11. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

11.1 Appointment of Independent Financial Adviser

Asian Corporate Advisors Pte. Ltd. (the "**IFA**") has been appointed as the independent financial adviser to advise the Independent Directors for the purpose of making a recommendation to the Shareholders in connection with the Offer. The advice of the IFA is set out in the IFA Letter annexed as Appendix I to this Circular.

11.2 Independent Directors

Mr Ong Teong Wan, Dato' Mazlan Bin Dato' Seri Harun and Mr Chay Yee are considered independent for the purposes of the Offer and are required to make a recommendation to the Shareholders in respect of the Offer. As each of Mr Cheng Theng Kee and Mr Cheng Yong Liang (the "**Excluded Directors**") is acting in concert with the Offeror in connection with the Offer, he will face conflicts of interest in relation to the Offer that would render it inappropriate for him to join the Independent Directors in making a recommendation to Shareholders in connection with the Offer. The SIC had ruled on 2 February 2018 that the Excluded Directors are exempted from making and assuming any responsibility for any recommendation on the Offer to Shareholders.

All the Directors (including, for the avoidance of doubt, the Excluded Directors) are jointly and severally responsible for the accuracy of facts stated and completeness of the information given by the Company to Shareholders in connection with the Offer, including information contained in announcements and documents issued by or on behalf of the Company in connection with the Offer.

11.3 Advice of the IFA to the Independent Directors

The advice of the IFA to the Independent Directors in respect of the Offer is set out in the IFA Letter annexed as Appendix I to this Circular. An extract of the opinion and advice of the IFA to the Independent Directors in respect of the Offer is reproduced in italics below. Shareholders should read the extract in conjunction with, and in the context of, the full text of 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, we are of the opinion that, in the absence of an alternative offer, the financial terms of the Offer is, on balance,* ***FAIR*** *and* ***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 **FAIR**, from a financial point of view after factoring, inter alia, the following as well as others elaborated in this Letter and opinion:-*

(i) Substantial premiums implied by the Offer Price over the historical prices for the Shares prior to the Offer Announcement Date considering, inter alia, (a) the implied premium of approximately 44.5% over the last transacted price prior to the Offer Announcement Date; and (b) the implied premiums of approximately 48.6%, 43.4%, 44.3% and 45.4% over the VWCP for the Shares for the 12-month, 6-month, 3 month and 1 month period prior to the Last Trading Day immediately preceding the Offer Announcement Date. The implied premiums over the historical prices for the Shares are higher or more favourable than the simple average and median for the Selected Successful Privatisations and higher or more favourable than the simple average and median for the Selected Successful Delistings (excluding Junma).

(ii) As set out in section 14.2 of the Offer Document, the Offer Price exceeds the highest closing price for the Shares since 2000 and up to and including the Last Trading Day.

(iii) Fair comparison with the valuation of the Selected Comparable Companies after considering the valuation of the LTC Group (as implied by the Offer Price) in terms of LTM EV/EBITDA and LTM PER is within the range, higher than the median and in line with the simple average for the Selected Comparable Companies (excluding the outliers). In addition, whilst the valuation of the LTC Group in terms of P/NAV and P/NTA ratios (as implied by the Offer Price and the LTC Group's RNAV and RNTA per Share) appears to be slightly lower than the simple average and median, it is within the range for the Selected Comparable Companies. Such comparison should be reviewed in conjunction with the following: (a) notwithstanding the LTC Group's relatively better financial position (in terms ratio of total liabilities to shareholders' equity and total borrowings to shareholders' equity), the LTC Group's financial performance (in terms of LTM ROE and LTM net profit margin) appears to be weaker than simple average and median but still within the range for the Selected Comparable Companies (save for Annaik, HG Metal and Sin Ghee Huat which were loss-making); (b) the trading statistics for the shares of the Selected Comparable Companies are based on transactions which do not result in acquisition of control whilst for the Offer, the Offeror's intention is to delist and privatise the Company; and (c) the discount implied by the Offer Price from the LTC Group's NAV per Share of approximately 43.8% should be assessed in conjunction with the fact that for the 12 months period prior to the Last Trading Day, the closing prices for the Shares were on average at a discount of 61.5% from the LTC Group's NAV per Share.

(iv) Favourable or fair comparison of the Offer against the Selected Successful Privatisations and the Selected Successful Delistings in the context of the implied premiums of the Offer Price over historical prices for the Shares (which appears to be within the range and more favourable as compared to the simple average and median for the Selected Successful Privatisations and within the range and more favourable as compared to the simple average and median for the Selected Successful Delistings (excluding Junma). The implied P/NAV ratio for the LTC Group is lower than the simple average and median, but still within the range for the Selected Successful Privatisations and the Selected Successful Delistings.

*We consider the financial terms of the Offer to be, on balance, **REASONABLE**, from a financial point of view after factoring, inter alia, the following:-*

(i) As announced on 28 February 2018 (which is subsequent to the Latest Practicable Date), the total number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties amount to an aggregate of 77,748,000 Shares, representing approximately 49.69% of the total number of Shares. The Offeror and its Concert Parties will only require additional 478,500 Shares in order to gain statutory control over 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 resolutions on matters in which the Offeror and its Concert Parties do not have an interest, at general meetings of Shareholders.

(ii) The favourable premiums (as elaborated in this Letter and opinion) implied by the Offer Price over the historical prices for the Shares prior to the Offer Announcement Date.

(iii) The Director's confirmation 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.

(iv) While the transacted prices for the Shares subsequent to the Offer Announcement Date may have been underpinned by the Offer and the trading for the Shares on a daily basis may have (in general) increased subsequent to the Offer Announcement Date and till the Latest Practicable Date (as compared to the 1-year period prior to the Offer Announcement Date), there is no assurance that the trading activities for the Shares will be maintained at such levels or that the transacted prices for the Shares will be maintained after the Closing of the Offer. In particular, there is no assurance that interest in the Shares will be maintained after the Offer as the possibility of an alternative offer from parties other than the Offeror is low in view of the Offeror and its Concert Parties' close to majority control as represented by the percentage of the total number of Shares that they hold.

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 **ACCEPT** the Offer, despite the fact that the Offer Price may not be as compelling as compared to the Selected Comparable Companies in terms of the simple average and median for P/NAV and/or P/NTA ratio, the Offer represent a realistic opportunity for Shareholders to realise their entire investment in cash taking into account, inter alia, the low liquidity for the Shares (in terms of daily average trading volume) prior to the Offer Announcement Date and that the Offer Price exceeds the highest closing price for the Shares in the past three-year period and up to and including the Last Trading Day.*

While the transacted prices for the Shares subsequent to the Offer Announcement Date may have been underpinned by the Offer and the trading for the Shares on a daily basis may have (in general) increased after the Offer Announcement Date to the Latest Practicable Date (as compared to the 1-year period prior to the Offer Announcement Date), there is no assurance that the trading activities for the Shares will be maintained at such levels or that the transacted prices for the Shares will be maintained after the Closing of the Offer. In particular, there is no assurance that interest in the Shares will be maintained after the Offer as the possibility of an alternative offer from parties other than the Offeror is low.

In the event that Shareholders are concerned about the liquidity and the prices at which they can realise their investments in the Offer Shares (including whether they can realize their investments at prices higher than the Offer Price after deducting related expenses), acceptance of the Offer will provide certainty of exit at the Offer Price. However, in the event that Shareholders are able to dispose the Offer Shares in the open market and realise their investments at prices higher than the Offer Price after deducting related expenses, they should consider selling the Offer Shares in the open market. It should be noted that for the period commencing on the Market Day immediately after the Offer Announcement Date to the Latest Practicable Date, the transacted prices for the Shares have always been lower than the Offer Price and the Offer Price represents a small premium of approximately 0.5% over the last transacted price of S$0.92 per Share on the SGX-ST on 26 February 2018, being the Latest Practicable Date."

12. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

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

The Independent Directors concur with the IFA's assessment of the Offer and its recommendation thereon, as set out in section 11.3 of this Circular and in the IFA Letter. **Accordingly, the Independent Directors recommend that Shareholders ACCEPT the Offer.**

In making the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situations, risk profiles, tax positions and/or particular needs and constraints of any specific Shareholder. As different Shareholders would have different investment profiles and objectives, the Independent Directors recommend that any specific Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

Shareholders should read and consider carefully this Circular, including the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer as set out in Appendix I to this Circular in their entirety, before deciding whether to accept or reject the Offer. Shareholders are also urged to read the Offer Document carefully.

13. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to section 17 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

"***17. OVERSEAS SHAREHOLDERS***

17.1 Overseas Shareholders. *This Offer Document, the relevant Acceptance Forms and/or any related documents do not constitute an offer to sell or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document, the relevant Acceptance Forms and/or any related documents in any jurisdiction in contravention of applicable law.*

For the avoidance of doubt, the Offer is open to all Shareholders, including those to whom this Offer Document, the relevant Acceptance Forms and/or any related documents may not be sent.

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

17.2 Copies of Documents. *Where there are potential restrictions on sending this Offer Document, the relevant Acceptance Forms and/or any related documents to any overseas jurisdictions, the Offeror and OCBC Bank each reserves the right not to send this Offer Document, the relevant Acceptance Forms and/or any related documents to such overseas jurisdictions. Any affected Overseas Shareholder may nonetheless obtain copies of this Offer Document, the relevant Acceptance Forms and/or any related documents during normal business hours from (i) CDP (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or (ii) the office of the Receiving Agent (if he is holding Shares which are not deposited with CDP ("**in scrip form**") at 8 Robinson Road, #03-00 ASO Building, Singapore 048544. Alternatively, an affected Overseas Shareholder may write to the Receiving Agent (if he is holding Shares in scrip form) or CDP (if he is a Depositor) to request for this Offer Document, the relevant Acceptance Forms and/or any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.*

17.3 Overseas Jurisdiction. *It is the responsibility of any Overseas Shareholder who wishes to (i) request for this Offer Document, the relevant Acceptance Forms and/or any related documents or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable in such jurisdictions and the Offeror, its related corporations, OCBC Bank, CDP, the Receiving Agent and/or any other person acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, OCBC Bank, CDP, the Receiving Agent and/or any other person acting on its behalf may be required to pay and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any exercise of the rights described in* ***Section 12*** *(****Compulsory Acquisition****) of this Offer Document. In (a) requesting for this Offer Document, the relevant Acceptance Forms and/or any related documents and (b) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror and OCBC Bank that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction. All Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdiction.*

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

14. INFORMATION PERTAINING TO CPFIS AND SRS INVESTORS

CPFIS Investors and SRS Investors should refer to section 18.2 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

"***18.2 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, which may be earlier than the Closing Date.*

CPFIS Investors and SRS Investors who validly accept the Offer through appropriate intermediaries will receive the Offer Price payable in respect of their Offer Shares in their respective CPF investment accounts and SRS investment accounts."

15. ACTION TO BE TAKEN BY SHAREHOLDERS

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

Shareholders who do not wish to accept the Offer need not take further action in respect of the Offer Document which has been sent to them.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than those relating to the Offeror, parties acting in concert with the Offeror, the Offer, the Offer Announcement, the Offer Document, the IFA Letter and the Valuation Reports) are fair and accurate, and that there are no material facts not contained in this Circular, the omission of which would make any statement in this Circular misleading.

In respect of the IFA Letter and the Valuation Reports, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the LTC 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, the Offer Announcement, the Offer Document, the IFA Letter and the Valuation Reports), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information has been accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

The Directors jointly and severally accept responsibility accordingly.

Yours faithfully
For and on behalf of the Board of Directors

Ong Teong Wan
Lead Independent Director

LETTER FROM ASIAN CORPORATE ADVISORS PTE. LTD. TO THE INDEPENDENT DIRECTORS OF LTC CORPORATION LIMITED

ASIAN CORPORATE ADVISORS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 200310232R)

160 Robinson Road #21-05
SBF Center
Singapore 068914

The Independent Directors (as hereinafter defined)
LTC Corporation Limited
10 Arumugam Road #10-00
LTC Building A
Singapore 409957

12 March 2018

VOLUNTARY CONDITIONAL CASH OFFER BY OVERSEA-CHINESE BANKING CORPORATION LIMITED ("OCBC BANK"), FOR AND ON BEHALF OF MOUNTBATTEN ENTERPRISES PTE. LTD. (THE "OFFEROR"), FOR THE OFFER SHARES (AS DEFINED HEREIN)

*Unless otherwise defined or where the context otherwise requires, all terms used herein shall have the same meanings as defined in the circular dated 12 March 2018 (the "**Circular**") issued by LTC Corporation Limited.*

1. INTRODUCTION

On 9 February 2018 (the "**Offer Announcement Date**"), OCBC Bank, for and on behalf of the Offeror, announced ("**Offer Announcement**") that the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all of the issued ordinary shares in the capital of LTC Corporation Limited (the "**Company**" or "**LTC**"), other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations or their respective nominees, in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore, and the Singapore Code on Take-overs and Mergers (the "**Code**").

The Offeror is the bid vehicle for the Consortium Members (as defined below) who have agreed, pursuant to a consortium agreement among the Consortium Members, to undertake the Offer through the Offeror. The Consortium Members are Cheng Yong Kim ("**CYK**"), Cheng Yong Kwang ("**RCYK**"), Cheng Yong Liang ("**CYL**"), Cheng Yoong Choong ("**CYC**") (collectively, the "**Controlling Shareholders**" and each, a "**Controlling Shareholder**"), Lion Investment (Singapore) Pte. Ltd. ("**LI**") and Lion Realty Private Limited. ("**LR**" and collectively with LI and the Controlling Shareholders, the "**Consortium Members**").

On 26 February 2018, OCBC Bank, for and on behalf of the Offeror announced that the offer document dated 26 February 2018 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 independent for the purpose of making a recommendation to the Shareholders in relation to the Offer ("**Independent Directors**"). We note from the Circular that the Independent Directors comprise Mr Ong Teong Wan, Dato' Mazlan Bin Dato' Seri Harun and Mr Chay Yee.

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 Circular 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 and its subsidiaries ("**LTC Group**") including, *inter alia* the contracts that the Company and the LTC Group has embarked upon or are about to embark upon or the comparison with other deals involving the issued ordinary shares in the capital of the Company ("**Shares**") or the timing or the time extended for the Offer. Such evaluation or comment remains the responsibility of the Directors (as defined in the Circulars) 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 authorized 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 LTC 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.

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 reasonable use 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 26 February 2018 (the "**Latest Practicable Date**"). Accordingly, we have not commented on or assessed the expected future performance or prospects of the Company or the LTC Group or the Shares, irrespective of the outcome of the Offer. Accordingly, our evaluation and opinion and recommendation do not and cannot take into account the 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 LTC 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 LTC Group (including without limitation, market value or economic potential) or appraisal of the LTC Group's assets and liabilities (including without limitation, investment properties, property, plant and equipment, properties under development and completed properties held for sale) or contracts entered into by the Company or the LTC Group and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into by the LTC Group save for the valuation certificates ("**Valuation Certificates**") dated 2 March 2018 ("**Valuation Date**") issued by Knight Frank Pte Ltd and Knight Frank Malaysia Sdn Bhd (collectively, the "**Independent Valuers**") in

respect of the market value of the LTC Group's selected completed properties held for sale, investment properties and properties under property, plant and equipment ("**Appraised Properties**"). With respect to such valuation, we are not experts in the evaluation or appraisal of assets and liabilities (including without limitation, investment properties, property, plant and equipment, properties under development and completed properties held for sale) including, *inter alia* the contracts that the LTC Group has embarked upon or are about to embark upon and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment. The Directors confirm that they are aware of and satisfied with the selection of the Appraised Properties for the valuation exercise and having reviewed the Valuation Certificates (*inter alia*, the assumptions, methodology used and information relied upon by the Independent Valuers) as a whole, they are of the opinion that the assumptions and methodology of the Valuation Certificates are reasonable.

The Directors are of the opinion that the values of the assets and liabilities as well as the financial performance or condition of the LTC Group as reflected in the unaudited financial statements for the half-year financial period ended 31 December 2017 ("**HY2018**") and the audited financial statements for the LTC Group for the financial year ("**FY**") ended 30 June 2017 ("**FY2017**") 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 LTC Group's unaudited financial statements for HY2018 and the audited financial statements for FY2017 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, the contracts or agreements that the LTC 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 LTC Group's audited financial statements for FY2017 and unaudited financial statements for HY2018, there has been no material changes to the LTC Group's assets and liabilities, financial position, condition and performance.

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. The 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 HY2018 for the LTC 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 including but not limited to plans or prospects or proposals involving acquisition or issuance of securities, or changes to its capital structure available to them and the Management in connection with the Company, the LTC 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 LTC 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 LTC Group before and after the Offer. 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 LTC 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 LTC 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 our terms of reference for this Letter.

3. TERMS AND CONDITIONS OF THE OFFER

The principal terms and conditions of the Offer, as extracted from section 2 and section 3 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. *Subject to the terms and conditions set out in this Offer Document, for and on behalf of the Offeror, OCBC Bank hereby makes the Offer for all the Offer Shares, in accordance with Section 139 of the SFA and the Code.*

2.2 Offer Price. *The price for each Offer Share (the "**Offer Price**") will be as follows:*

For each Offer Share: S$0.925 in cash.

The Offer Price is final. The Offeror does not intend to revise the Offer Price, save that the Offeror reserves the right to revise the terms of the Offer in accordance with the Code if a competitive situation arises.

2.3 Offer Shares. *The Offer will be extended to all of the Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations or their respective nominees (the "**Offer Shares**").*

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

2.4.1 fully paid;

2.4.2 free from all Encumbrances; and

2.4.3 together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain (if any) all Distributions announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.

2.5 ***Adjustment for Distribution.*** *If any Distribution is announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date to an Accepting Shareholder and the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offeror reserves the right to reduce the Offer Price payable to such Accepting Shareholder by the amount of such Distribution.*

2.6 ***Acceptance Condition.*** *The Offer is subject to the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which will result in the Offeror and parties acting in concert with the Offeror holding more than 90 per cent. of the total number of Shares as at the close of the Offer (the "**Acceptance Condition**").*

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which will result in the Offeror meeting the Acceptance Condition.

The Offeror reserves the right to reduce the Acceptance Condition to a lower level which is more than 50 per cent. of the total number of Shares. In the event that the Acceptance Condition is revised, the revised Offer will remain open for another 14 days following such revision and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptance within eight days of the notification of such revision.

Save for the Acceptance Condition, the Offer is unconditional in all other respects.

2.7 ***No Options.*** *As at the Latest Practicable Date, based on the latest information available to the Offeror, there are no outstanding options exercisable in respect of the Shares.*

2.8 ***No Undertakings.*** *As at the Latest Practicable Date, save for the Irrevocable Undertakings, neither the Offeror nor any party acting in concert with the Offeror has received any irrevocable undertaking from any party to accept or reject the Offer.*

2.9 ***Warranty.*** *A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain (if any) all Distributions announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date.*

3. DETAILS OF THE OFFER

Appendix 1 *to this Offer Document sets out further details on (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcement of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer."*

4. INFORMATION ON THE OFFEROR AND THE CONSORTIUM MEMBERS

The information on the Offeror and the Consortium Members set out in italics below has been extracted from section 5 to 7 of the Offer Document. 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.

"5. INFORMATION ON THE OFFEROR

5.1 ***Introduction.*** *The Offeror is a special purpose vehicle which has been incorporated in Singapore on 15 January 2018 for the purposes of the Offer. Its principal activity is investment holding.*

Appendix 3 *to this Offer Document sets out additional information on the Offeror.*

5.2 ***Shareholding Structure.*** *As at the Latest Practicable Date, the Offeror is jointly owned by each of the Controlling Shareholders in equal proportions and has an issued and paid-up share capital of S$4 comprising four Offeror Shares with each of the Controlling Shareholders owning one Offeror Share.*

LI and LR will subscribe for additional Offeror Shares on or after the close of the Offer pursuant to the Consortium Arrangements (as more particularly described in ***Section 9*** *(****Irrevocable Undertakings****) of this Offer Document). Following completion of the Reinvestments, LI and LR will hold approximately 71.28 per cent. and 28.72 per cent. respectively of all the Offeror Shares.*

5.3 ***Board of Directors.*** *As at the Latest Practicable Date, the board of directors of the Offeror comprises four members, consisting of each of the Controlling Shareholders.*

6. INFORMATION ON THE CONSORTIUM MEMBERS

6.1 ***Lion Investment (Singapore) Pte. Ltd.*** *LI is an investment company which is 100 per cent. owned by various members of the Cheng family based in Singapore (the "****Cheng Family****"). The board of directors of LI comprises five members, comprising each of the Controlling Shareholders and CTK. CTK is the father of the Controlling Shareholders. CTK is also the chairman and executive director of the Company and a director of LR.*

As at the Latest Practicable Date, LI is a substantial Shareholder and has a direct interest in 53,100,000 Shares, representing approximately 33.94 per cent. of the total number of Shares.

6.2 ***Lion Realty Private Limited.*** *LR is an investment company which is 100 per cent. (directly or indirectly) owned by various members of the Cheng Family. The board of directors of LR comprises six members, comprising each of the Controlling Shareholders, CTK and CSC. CSC is the wife of CTK and the mother of the Controlling Shareholders.*

As at the Latest Practicable Date, LR is a substantial Shareholder and has a direct interest in 21,400,000 Shares, representing approximately 13.68 per cent. of the total number of Shares.

6.3 ***Controlling Shareholders.*** *The Controlling Shareholders are brothers and, as stated above, each of the Controlling Shareholders is a director of each of LI and LR and, collectively, the Controlling Shareholders own a majority of the shares in the capital of each of LI and LR. CYL is also an executive director and the managing director of the Company and the other Controlling Shareholders are directors of various subsidiaries of the Company.*

As at the Latest Practicable Date, the Controlling Shareholders collectively have a direct interest in 350,000 Shares, representing approximately 0.22 per cent. of the total number of Shares.

7. LION CORPORATION BERHAD'S INTEREST IN SHARES

7.1 ***Interest in Shares.*** *Based on disclosure made by CHJ to the Offeror on 13 February 2018, LCB, through its approximately 47.66 per cent. associated company, ACB, has a deemed interest in 11,001,300 Shares, representing approximately 7.03 per cent. of the total number of Shares, comprising 5,583,000 Shares deemed held by Akurjaya, 2,143,300 Shares deemed held by Angkasa and 3,275,000 Shares held by Umatrac. Akurjaya is deemed to be interested in 5,583,000 Shares held by Brooklands.*

The 5,583,000 Shares in which Brooklands has an interest and the 3,275,000 Shares in which Umatrac has an interest, are registered in the name of RHB Securities Singapore Pte Ltd. The remaining 2,143,300 Shares in which Angkasa has a deemed interest are registered in the name of UOB Kay Hian Pte Ltd.

7.2 ***Relationship of LCB and the Consortium Members.*** *CYK is a director of LCB and has a total interest in approximately 38.29 per cent. of the shares in the capital of LCB. Under the Code, LCB is presumed to be acting in concert with the Offeror and considered to be an associate of the Offeror.*

In addition, CHJ is the uncle of the Controlling Shareholders. CHJ is also the chairman and managing director of LCB.

7.3 Pledged Shares. *The 11,001,300 Shares in which LCB has an interest as at 13 February 2018 (the "Pledged Shares") had been pledged by ACB as security for ACB's obligations under certain bonds issued by and debts owing by ACB and its subsidiary (the "ACB Bonds and USD Debts"). RHB Investment Bank Berhad is the security trustee in respect of the ACB Bonds and USD Debts (the "Security Trustee").*

ACB and its subsidiary defaulted on their obligations under the ACB Bonds and USD Debts in 2012 and continue to be in default of such obligations. As a consequence, the Security Trustee has become legally entitled to enforce the security over the Pledged Shares at its discretion and dispose of the Pledged Shares via, inter alia, on-market sales, notwithstanding that Brooklands, Umatrac and Angkasa continue to have an interest in the Pledged Shares.

7.4 SIC Confirmation. *Pursuant to an application made by the Offeror to the SIC to seek certain rulings in relation to the Offer (the "SIC Application"), the SIC has confirmed that the Pledged Shares should not be considered part of the holdings of Shares by the Offeror and parties acting in concert with the Offeror and any dealings in the Pledged Shares by the Security Trustee during the offer period should not be regarded as a dealing by the Offeror or parties acting in concert with the Offeror or its associates."*

5. INFORMATION ON THE COMPANY

Information and additional general information on the Company are set out in section 8 and Appendix 4 of the Offer Document as well as Appendix II of the Circular.

6. THE RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTION FOR THE COMPANY

The rationale for the Offeror, the Offeror's intention relating to the Company and the listing status and compulsory acquisition, are set out in italics below has been extracted from section 10 to 13 of the Offer Document. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"10. RATIONALE FOR THE OFFER

10.1 Opportunity for Shareholders to Exit their Investment in the Shares at a Compelling Premium. *The Shares have not been transacted on the SGX-ST at or above the Offer Price since the year 2000. The Offer Price represents a premium of approximately 46.1 per cent., 45.4 per cent., 44.1 per cent. and 49.4 per cent. over the volume weighted average price ("**VWAP**") per Share for the one-month, three-month, six-month and twelve-month periods respectively up to and including the Last Trading Day and a premium of approximately 44.5 per cent. over the closing price per Share of S$0.640 as quoted on the SGX-ST on the Last Trading Day. The Offer therefore represents an attractive cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium to the prevailing market prices, without incurring other brokerage and trading costs.*

10.2 Low Trading Liquidity. *The trading volume of the Shares has been generally low, with an average daily trading volume[1] of approximately 33,238 Shares, 26,162 Shares, 41,905 Shares and 39,072 Shares during the one-month, three-month, six-month and twelve-month periods respectively up to and including the Last Trading Day. Each of these represents less than approximately 0.03 per cent. of the total number of issued Shares for any of the aforementioned relevant periods.*

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

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

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

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

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

11. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

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

12. COMPULSORY ACQUISITION

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

In the event that the Offeror becomes entitled to compulsorily acquire all the Offer Shares of the Dissenting Shareholders, the Offeror intends to exercise such rights. In such event, the Company will become a wholly-owned subsidiary of the Offeror and the Offeror will then proceed to delist the Company from the SGX-ST.

12.2 Dissenting Shareholders' Right. *In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of Shares, the Dissenting Shareholders have a right to require the Offeror to acquire their Shares at the Offer Price. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.*

13. LISTING STATUS OF THE COMPANY

13.1 Listing Status of the Company. *Under Rule 723 of the Listing Manual, the Company must ensure that at least 10 per cent. of the total number of the Shares (excluding treasury shares) is at all times held by the public (the "**Free Float Requirement**").*

Under Rule 1105 of the Listing Manual, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public.

Further, under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the Shares (excluding treasury shares), thus causing the percentage of the Company's total number of Shares (excluding treasury shares) in public hands to fall below 10 per cent., the SGX-ST will suspend trading of Shares at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not complied with, 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 states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the proportion of the Shares held by members of the public to be raised to at least 10 per cent., failing which the Company may be delisted from the SGX-ST.

13.2 Intention of the Offeror. *In the event the Offeror is unable to exercise the right to compulsorily acquire all the Shares not acquired under the Offer as set out in* ***Section 12*** *(****Compulsory Acquisition****) of this Offer Document and the Company does not meet the Free Float Requirement under Rule 723 of the Listing Manual,* ***the Offeror and parties acting in concert with the Offeror do not intend to support any action taken or to be taken to meet the Free Float Requirement or maintain the present listing status of the Company****.*

Accordingly, the Offeror and parties acting in concert with the Offeror do not intend to place out any Shares held by the Offeror and parties acting in concert with the Offeror to members of the public to meet the Free Float Requirement. If the Company does not meet the requirements under Rule 723 of the Listing Manual, the SGX-ST may suspend trading of the Shares on the SGX-ST following the close of the Offer. In addition, the Offeror intends to, and hereby reserves its right, to take steps at an appropriate time, whether during or after the Offer, to seek a voluntary delisting of the Company from the SGX-ST, where permitted by, and in accordance with, the relevant requirements of the Listing Manual and the Code."

7. IRREVOCABLE UNDERTAKINGS

The information on irrevocable undertakings set out in italics below has been extracted from section 9 of the Offer Document. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"9. IRREVOCABLE UNDERTAKINGS

9.1 Irrevocable Undertakings. *As at the Latest Practicable Date, each of LI, LR, the Controlling Shareholders and the Other Cheng Family Shareholders (collectively, the "****Undertaking Shareholders****") has given an irrevocable undertaking (the "****Irrevocable Undertaking****") to the Offeror to, inter alia:*

- ***9.1.1*** *tender all the Shares that it holds in aggregate as at the date of the Irrevocable Undertaking and any other Shares which it may subsequently acquire (directly or indirectly or through a nominee) after the date of the Irrevocable Undertaking, in acceptance of the Offer by no later than 5 p.m. (Singapore time) on the third business day after the date of despatch of the Offer Document or such later date as may be agreed between the relevant Undertaking Shareholder and the Offeror;*
- ***9.1.2*** *in the case of the Controlling Shareholders and the Other Cheng Family Shareholders, to receive the Offer Price in respect of its Shares in cash; and*
- ***9.1.3*** *in the case of each of LI and LR, in accordance with the Consortium Arrangements, to direct that all the consideration payable for its Shares be applied to subscribe for new Offeror Shares on or after the close of the Offer at the issue price of S$1 per Offeror Share (the "****Reinvestments****", and the Irrevocable Undertakings by LI and LR being the "****Reinvestment Irrevocable Undertakings****").*

9.2 Other Cheng Family Shareholders*. The Other Cheng Family Shareholders are:*

- ***9.2.1*** *CTK;*
- ***9.2.2*** *CSC;*
- ***9.2.3*** *CHJo, sister of the Controlling Shareholders;*
- ***9.2.4*** *CHW, sister of the Controlling Shareholders; and*

9.2.5 *JT, the son-in-law of CTK and CSC, (collectively, the "**Other Cheng Family Shareholders**"). As at the Latest Practicable Date, the Other Cheng Family Shareholders collectively have a direct interest in 1,094,000 Shares, representing approximately 0.70 per cent. of the total number of Shares.*

9.3 Aggregate Holdings. As at the Latest Practicable Date, the Undertaking Shareholders hold in the aggregate 75,944,000 Shares, representing approximately 48.54 per cent. of the total number of Shares.

Based on the Irrevocable Undertakings, the details of the Undertaking Shareholders and the number of Shares to be tendered in acceptance of the Offer by each Undertaking Shareholder pursuant to the Irrevocable Undertaking are as follows:

Undertaking Shareholders	***No. of Shares to be tendered in acceptance of the Offer***	***Percentage of the total number of Shares (%)***	***Amount of consideration entitled to (S$)***	***Amount of consideration to be applied to subscribe for new Offeror Shares (S$)***
LI	*53,100,000*	*33.94*	*49,117,500*	*49,117,500*
LR	*21,400,000*	*13.68*	*19,795,000*	*19,795,000*
CTK	*300,000*	*0.19*	*277,500*	
CSC	*34,000*	*0.02*	*31,450*	
CYK	*50,000*	*0.03*	*46,250*	
RCYK	*120,000*	*0.08*	*111,000*	
CYL	*150,000*	*0.10*	*138,750*	
CYC	*30,000*	*0.02*	*27,750*	
CHJo	*99,000*	*0.06*	*91,575*	
CHW	*11,000*	*0.01*	*10,175*	
JT	*650,000*	*0.42*	*601,250*	
Total	***75,944,000***	***48.54***	***70,248,200***	***68,912,500***

9.4 Termination. *The Irrevocable Undertakings will terminate or lapse upon the earlier of:*

9.4.1 *the Offer being withdrawn or lapsing; and*

9.4.2 *the Offer not being formally made by the Offeror (by the posting of the Offer Document) on or before 2 March 2018, or such other date as may be extended by the mutual agreement of the Offeror and the Consortium Members, subject to the consent of the SIC and the requirements of the Code.*

9.5 SIC Confirmation. *Pursuant to the SIC Application, the SIC has confirmed that the consortium agreement among the Consortium Members, the Reinvestment Irrevocable Undertakings and the Reinvestments (collectively, the "**Consortium Arrangements**") do not constitute a special deal for the purposes of Rule 10 of the Code."*

8. FINANCIAL ASSESSMENT OF THE OFFER

In assessing the financial terms of the Offer from a financial point of view, we have taken into account the following pertinent factors as well as others in the Letter, which we consider will have a significant bearing on our assessment:

(i) historical financial performance and position of the LTC Group;

(ii) the LTC 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) comparison with recently completed privatisation and delisting 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 detail in the ensuing sections.

In our assessment of the Offer, we have applied certain valuation ratios in assessing the 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.

In assessing the financial terms of the Offer, 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.

8.1. Historical financial performance and position of the LTC Group

The following are extracts from the audited consolidated financial statements of the LTC Group for the FY ended 30 June 2015 ("**FY2015**"), the FY ended 30 June 2016 ("**FY2016**"), FY2017 and the unaudited consolidated financial statements for financial period ended 31 December 2016 ("**HY2017**") and HY2018:-

Summary of income statements

Figures in S$'000[1]	Unaudited HY2018	Unaudited HY2017	Audited FY2017	Audited FY2016	Audited FY2015
Revenue	64,155	79,308	134,106	129,601	168,457
Cost of Sales	(54,732)	(71,872)	(111,537)	(116,250)	(142,860)
Gross Profit	9,423	7,436	22,569	13,351	25,597
Other operating income	760	2,620	3,111	5,541	991
Operating expenses[2]	(4,777)	(5,156)	(10,583)	(11,241)	(13,083)
Finance cost	(397)	(418)	(798)	(707)	(1,119)
Share of results of associates/ joint venture	759	627	453	665	314
Profit before tax	4,250	3,855	13,047	7,609	13,520
Profit after tax attributable to equity holders	1,729	2,425	8,470	6,929	10,046

Notes:

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

(2) Operating expenses comprise selling and distribution expenses, administrative expenses and other operating expenses (net).

We note the following:-

(i) LTC Group's business is organized into three (3) business units which are: (a) steel trading (a supplier of steel reinforcement bars (rebars) for building construction and civil works as well as provision of services to cut, bend or assemble the rebars to customer requirements); (b) property development (business of building residential, commercial and industrial properties for sale); and (c) property rental (owns, manages and leases industrial and commercial properties). The LTC Group operates mainly in Singapore and Malaysia.

(ii) Financial performance for FY2016 vs FY2015

The LTC Group's revenue decreased by approximately S$38.9 million or 23.1% from approximately S$168.5 million in FY2015 to $129.6m in FY2016, this was mainly attributable to:-

a) Revenue from the steel trading segment decreased by approximately S$43.3 million or 31.8% from approximately S$136.2 million in FY2015 to approximately S$92.9 million in FY2016 due to lower steel prices and tonnage delivered.

b) Revenue from the property rental decreased by approximately S$0.8 million or 9.7% from approximately S$8.6 million in FY2015 to approximately S$7.8 million in FY2016 due mainly to the absence of rental income from the hypermarket in Skudai.

c) The above decreases were partially offset by an increase in revenue from property development segment of approximately S$5.3 million or 22.5% from approximately S$23.5 million in FY2015 to S$28.8 million in FY2016 due to higher sales of property units in Singapore and notwithstanding lower turnover in Malaysia.

Gross profit decreased by approximately S$12.2 million or 47.8% from approximately S$25.6 million in FY2015 to approximately S$13.4 million in FY2016, this was mainly attributable to higher material cost incurred for the property development segment as well as lower selling price for the steel trading segment. The LTC Group's gross profit margin declined from approximately 15.2% in FY2015 to approximately 10.3% in FY2016.

The LTC Group recorded other income of approximately S$1.0 million and S$5.5 million in FY2015 and FY2016 respectively. The increase was mainly attributable to a write-back for impairment of completed properties of approximately S$3.2 million and write-back for qualifying certificate extension charges of approximately S$1.4 million in FY2016.

Operating expenses (comprising of selling and distribution expenses, administrative expenses, and other operating expenses (net)) decreased by approximately S$1.8 million or 14.1% from approximately S$13.1 million in FY2015 to approximately S$11.2 million in FY2016. This was

mainly attributable to lower administrative expenses (declined by approximately S$1.0 million to approximately S$9.9 million) and was partially offset by higher selling and distribution expenses (increased by approximately S$0.2 million to approximately S$1.3 million).

Finance costs decreased by approximately S$0.4 million from approximately S$1.1 million in FY2015 to approximately S$0.7 million in FY2016 as a result of lower total borrowings.

The LTC Group's share of profits of associates/ joint venture was approximately S$0.3 million in FY2015 and approximately S$0.7 million in FY2016.

The LTC Group recorded net profit after tax attributable to equity holders of approximately S$10.0 million and S$6.9 million in FY2015 and FY2016 respectively.

(iii) Financial performance for FY2017 vs. FY2016

The LTC Group's revenue increased slightly by approximately S$4.5 million or 3.5% from approximately S$129.6 million in FY2016 to S$134.1 million in FY2017, this was mainly attributable to:-

a) Revenue from the steel trading segment increased by approximately S$14.6 million or 15.7% from approximately S$92.9 million in FY2016 to approximately S$107.5 million in FY2017 due to higher steel prices and higher tonnage delivered.

b) Revenue from the property rental segment remains stable at approximately S$7.8 million for FY2017.

c) The above were partially offset by lower revenue from the property development segment (decreased by approximately S$10 million or 34.8% from approximately S$28.8 million in FY2016 to approximately S$18.8 million in FY2017 due to lower sales recognised in Singapore)

Gross profit increased by approximately S$9.2 million or 69.0% from approximately S$13.4 million in FY2016 to approximately S$22.6 million in FY2017. The increase was mainly attributable to the steel trading segment (with higher selling price of steels and lower cost of sale) whilst the property development segment experienced a significant decline in its gross profit. The corresponding gross profit margin increased from approximately 10.3% in FY2016 to approximately 16.8% in FY2017.

The LTC Group's recorded other income (net) of approximately S$5.5 million in FY2016 and approximately S$3.1 million in FY2017. The decrease in other income of approximately S$2.4 million was mainly attributable to the reduction in write-back of impairment for completed properties of approximately S$1.1 million.

Operating expenses declined by approximately S$0.7 million or 5.9% from approximately S$11.2 million in FY2016 to approximately S$10.6 million in FY2017, which was mainly attributable to lower administrative expense (in view of the reduction in staff costs).

The LTC Group recorded a slight increase in finance cost of approximately S$0.1 million to approximately S$0.8 million as a result of higher borrowings.

The LTC Group's share of losses of associates/ joint venture was approximately S$0.5 million in FY2017 as compared to share of profit of associates/joint venture of approximately S$0.7 million in FY2016.

The LTC Group recorded net profit after tax attributable to equity holders of approximately S$8.5 million in FY2017, which is higher than the net profit after tax attributable to equity holders of approximately S$6.9 million in FY2016.

(iv) Financial performance for HY2018 vs.HY2017

The LTC Group's turnover decreased by approximately 19.1% from approximately S$79.3 million in HY2017 to approximately S$64.2m in HY2018 mainly due to overall declines across three segments:-

a) Revenue from the steel trading segment decreased by approximately S$1.0 million from approximately S$60.9 million in HY2017 to approximately S$59.9 million in HY2018 mainly attributable to lower revenue in Malaysia.

b) Revenue from the property development decreased substantially by approximately S$13.9 million from approximately S$14.4 million in HY2017 to approximately S$0.5 million in HY2018 as a result of lower sales in Singapore.

c) Revenue from the property rental decreased by approximately S$0.2 million from S$4.0 million in HY2017 to approximately S$3.8 million in HY2018 as a result of lower rental rates.

Gross profit increased by approximately S$2.0 million or 26.7% from approximately S$7.4 million in HY2017 to approximately S$9.4 million in HY2018. The increase was mainly attributable to higher selling price of steels and property development segment managed to record a gross profit of approximately S$0.1 million in HY2018 as compared to a gross loss of approximately S$1.8 million in HY2017.

LTC Group's recorded other income of approximately S$2.6 million in HY2017 and approximately S$0.8 million in HY2018. The lower other income in HY2018 was mainly attributable to the lower write-back of impairment in development properties.

Operating expenses decreased by approximately S$0.4 million or 7.4% from approximately S$5.2 million in HY2017 to approximately S$4.8 million in HY2018, which was due to lower selling and distribution expenses of approximately S$0.5 million (in view of lower commission paid as well as lower outward freight charges resulting from lower revenue).

The LTC Group recorded finance cost of approximately S$0.4 million in HY2018 which was relatively similar as that of HY2017.

The LTC Group's share of losses of associates/ joint venture was approximately S$0.8 million in HY2018.

The LTC Group recorded net profit after tax attributable to equity holders of approximately S$1.7 million in HY2018 as compared to approximately S$2.4 million in HY2017.

Summary of statements of financial position

Figures in S$'000[(1)]	**Unaudited HY2018**	**Audited FY2017**	**Audited FY2016**	**Audited FY2015**
Non-current assets	204,981	193,934	199,421	186,870
Current assets	133,819	135,211	119,769	152,504
Non-current liabilities	4,210	4,672	4,136	18,162
Current liabilities	40,590	34,869	28,990	36,297
Total borrowings	31,931	26,334	19,931	38,019
Shareholders' equity	257,387	254,531	251,539	248,651
Net working capital	93,229	100,342	90,779	116,207

Notes:

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

We note the following: -

(i) Assets and liabilities

The Group's total assets amounted to approximately S$338.8 million as at 31 December 2017 comprising current assets of approximately S$133.8 million (or approximately 39.5% of the total assets) and non-current assets of approximately S$205.0 million (or approximately 60.5% of the total assets).

Non-current assets of approximately S$205.0 million as at 31 December 2017 comprised mainly of:-

a) Investment properties of approximately S$118.0 million;

b) Properties, plant and equipment of approximately S$26.0 million;

c) Investment in joint venture company of approximately S$33.5 million;

d) Investment in associated company of approximately S$7.0 million;

e) Long-term investments of approximately S$4.8 million;

f) Properties under developments of approximately S$14.9 million; and

g) Deferred tax assets of approximately S$0.6 million.

Current assets as at 31 December 2017 of approximately S$134.0 million comprised mainly of:

a) Completed properties held for sale with a book value of approximately S$13.5 million;

b) Inventories (consists of trading stocks, goods in transit and remnant) of approximately S$49.3 million;

c) Trade debtors of approximately S$24.0 million;

d) Fixed deposits and cash and bank balances with an aggregate value of approximately S$44.8 million; and

e) Prepayment, other debtors, due from related parties and tax recoverable with an aggregate value of S$2.1million.

The LTC Group's total liabilities amounted to approximately S$44.8 million as at 31 December 2017 comprising of current liabilities of approximately S$40.6 million (or 91.0% of the total liabilities) and non-current assets of approximately S$4.2 million (or 9.0% of the total liabilities).

Current liabilities of approximately S$40.6 million as at 31 December 2017, comprised of:

a) Trade creditors of approximately S$33.1 million (including approximately S$31.9 million bills payable); and

b) Other payables including, *inter alia,* other creditors and provisions of approximately S$7.5 million.

Non-current liabilities of approximately S$4.2 million as at 31 December 2017 comprised mainly deferred tax liabilities of approximately S$3.6 million and trade creditors of approximately S$0.6 million.

(ii) Net Working Capital

The LTC Group's net working capital have always been positive during the period reviewed, but has declined from approximately S$116.2 million as at 30 June 2015 to approximately S$90.8 million as at 30 June 2016, S$100.3 million as at 30 June 2017 and S$93.2 million as at 31 December 2017.

(iii) Shareholders' equity and gearing

The shareholder's equity for the LTC Group has been increasing during the period reviewed from approximately S$248.7 million as at 30 June 2015 to approximately S$251.5 million as at 30 June 2016, S$254.5 million as at 30 June 2017, and S$257.4 million as at 30 December 2017. This was mainly due to the fact that the LTC Group has been profitable during the period reviewed.

Total borrowings (comprising obligation under finance lease and bills payables) for the Group have been increasing since end of FY2016. It has increased from approximately S$19.9 million as at 30 June 2016 to approximately S$26.3 million and S$31.9 million as at 30 June 2017 and 31 December 2017 respectively.

As a result, the LTC Group's gearing ratio has increased from approximately 0.08 times as at 30 June 2016 to approximately 0.10 times and 0.12 times as at 30 June 2017 and 31 December 2017 respectively.

Summary of statements of cash flows

Figures in S$'000[(1)]	Unaudited HY2018	Unaudited HY2017	Audited FY2017	Audited FY2016	Audited FY2015
Net cash generated from operating activities	7,783	16,812	17,587	19,872	26,922
Net cash (used in)/ generated from investing activities	(10,684)	2,251	1,835	(14,547)	(5,523)
Net cash used in financing activities	(1,785)	(2,602)	(3,866)	(14,241)	(14,257)
Cash and cash equivalents at end of period	44,818	49,831	48,854	34,310	44,697

Notes:

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

(i) Positive net cash flow from operations

The LTC Group generated positive net cash flow from operating activities during the period reviewed, approximately S$26.9 million, S$19.9 million, S$17.6 million, and S$7.8 million for FY2015, FY2016, FY2017 and HY2018 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 LTC Group's audited financial statements for FY2017 and unaudited financial statements for HY2018, there has been no material changes to the LTC Group's assets and liabilities, financial position, condition and performance.

Outlook

In the LTC Group's results announcement for HY2018 (section 10 of the results announcement), the Company stated the following commentary on the significant trends and competitive conditions of the industry in which the LTC Group operates and factors or events that may affect the LTC Group in the next reporting period and the next 12 months:-

"International prices of steel rebar are still high and holding firm although the USD/SGD exchange rate has weakened. Competition amongst suppliers in Singapore will remain intense as public projects continue to dominate construction demand.

Turnover from property development in Malaysia will continue to be irregular as the key contribution will be from the industrial park development. No turnover will be recorded for property development in Singapore for the year ahead as the Group currently does not have any development property here.

Rental rates for the investment properties in Singapore may soften further if the overall vacancy for multiple-user factory space does not improve."

8.2. The LTC Group's net asset value ("NAV") and net tangible assets ("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 realized or disposed of.

The NTA based approach of valuing a company or group is based on the aggregate value of all the assets of the company in their existing condition, after deducting the sum of all liabilities, minority interest and intangible assets of the company. The NTA based approach is meaningful as it shows the extent to which the value of each share is backed by tangible assets and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets. The NTA based approach in valuing a company may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets (other than intangible assets) in an orderly manner over a reasonable period 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 realized or disposed of. As stated in the LTC Group's unaudited financial statements for HY2018 and as confirmed by the Management, the LTC Group does not have any intangible assets as at 31 December 2017.

NAV and NTA of the LTC Group

In assessing the Offer Price of S$0.925 for each Offer Share, in relation to the NAV and NTA per Share of the LTC Group as at 31 December 2017, we have reviewed the unaudited statement of financial position of the LTC Group as 31 December 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 LTC Group as at 31 December 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 31 December 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 LTC Group as at the 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 LTC Group as at 31 December 2017, save as disclosed in the unaudited financial statements of the LTC Group as at 31 December 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 LTC Group as disclosed and reflected in the unaudited financial statements of the LTC Group as at 31 December 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 31 December 2017[1]	**S$'000**
Non-current Assets	
Investment properties	118,048
Property, plant and equipment	26,001
Joint venture company	33,534
Associated company	7,049
Long-term investments	4,789
Properties under development	14,907
Deferred tax assets	653
	204,981
Current Assets	
Completed properties held for sale	13,549
Inventories	49,312
Prepayments	162
Trade debtors	23,997
Other debtors	312
Due from related parties	703
Tax recoverable	966
Fixed deposits	25,103
Cash and bank balances	19,715
	133,819
Current Liabilities	
Trade creditors	33,124
Other creditors	3,297
Due to related parties	232
Interest-bearing loans and borrowings	4
Provisions	2,314
Derivatives	17
Provision for taxation	1,602
	40,590
Non-current Liabilities	
Trade creditors	598
Deferred tax liabilities	3,612
	4,210
NAV including non-controlling interests	**294,000**
Less: non-controlling interests	(36,613)
NAV attributable to equity holders of the Company	**257,387**
Less: Intangible assets	-
NTA attributable to equity holders of the Company	**257,387**
NAV and/or NTA per Share (S$)[2]	**1.65**
Offer Price (S$)	**0.925**
Discount of Offer Price from the LTC Group's NAV and/or NTA per Share (%)	**(43.8)%**
Cash and cash equivalents less borrowings [3] ("**Net Cash**") as at 31 December 2017	12,887
Net Cash per Share [2]	0.082
Offer Price less Net Cash per Share (S$)	0.843
NAV and/or NTA per Share less Net Cash per Share (S$)	1.563
Discount of Offer Price less Net Cash per Share from the LTC Group's NAV and/or NTA per Share less Net Cash per Share (%)	**(46.1)%**

Notes:

(1) The figures above are based on the LTC Group's unaudited financial statements for HY2018 and are subject to rounding.

(2) Based on the Company's total number of Share comprising 156,453,000 Shares as at the Latest Practicable Date.

(3) Cash and cash equivalents comprised cash and bank balances of approximately S$19.7 million and fixed deposits of approximately S$25.1 million as at 31 December 2017. Borrowings comprised finance lease liabilities of approximately S$4 thousand and bills payables of approximately S$31.9 million as at 31 December 2017.

From the table above, we note that the LTC Group's NAV and NTA attributable to equity holders of the Company amounted to approximately S$257.4 million (or S$1.65 per Share). Accordingly, the Offer Price represents a discount of approximately 43.8% from the LTC Group's NAV and/or NTA per Share respectively.

We wish to highlight that the LTC Group has cash and cash equivalents amounted to approximately S$44.8 million as at 31 December 2017, which is higher than its borrowings of approximately S$31.9 million as at 31 December 2017. The Group's Net Cash per Share of approximately S$0.082 represents approximately 8.9% of the Offer Price. Thus, approximately 8.9% of the Offer Price is "backed" by cash held after deduction of all borrowings or the LTC Group's Net Cash.

In the event that the LTC Group's Net Cash per Share is deducted from the Offer Price as well as the LTC Group's NAV and/or NTA per Share as at 31 December 2017, the Offer Price less the Net Cash per Share represents a discount of approximately 46.1% over the LTC Group's NAV and/or NTA per Share less the Net Cash per Share.

Revalued NAV ("**RNAV**") and Revalued NTA ("**RNTA**")

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 31 December 2017.

The Company had commissioned the Independent Valuers to determine the market value of the Appraised Properties as at the Valuation Date. We recommend that the Independent Directors advise Shareholders to note and review carefully the contents of the Valuation Certificates (attached as Appendix III to the Circular) in its entirety, including, where applicable, the assumptions made and the basis for the assumptions.

The Management represented and confirmed that the Appraised Properties of the Group had a net book value of approximately S$149.6 million as at 31 December 2017.

A summary of the Appraised Properties, the valuation methods, the respective book value as at 31 December 2017 and the respective market value of the Appraised Properties as at the Valuation Date is summarised below and should be read in conjunction with the full text of the Valuation Certificates set out in Appendix III to the Circular. Further details of each of the Appraised Properties including, *inter alia,* site area, gross floor area, and tenure can be found in the Valuation Certificates.

Property	**Valuation Method**	**Net book value as at 31 December 2017 (S$'000)**[(1)]	**Market Value as at the Valuation Date (S$'000)**[(1)(2)]
10,12,14 and 16 Arumugam Road LTC Buildings A, B, C and D Singapore 409957/58/59/61	Capitalisation Approach and Comparable Sales Method	118,048	118,000
20 Woodlands Loop Singapore 738321	Comparable Sales Method	13,290	13,500
22 Woodlands Loop Singapore 738914	Comparable Sales Method	4,180	4,400

Property	Valuation Method	Net book value as at 31 December 2017 (S$'000)[1]	Market Value as at the Valuation Date (S$'000)[1][2]
37 Senoko Drive Singapore 758222	Comparable Sales Method	1,208	1,400
Lot 3066 & 3067 Mukim Tebrau District of Johor Bahru, Johor	Comparison Approach	12,907	14,491
TOTAL		**149,633**	**151,791**

Notes:

(1) Figures (including computations and summation) are subject to rounding.

(2) The respective market value have been translated in S$ equivalent based on the relevant exchange rate as at the Latest Practicable Date.

We note that the Appraised Properties above with an aggregate net book value of approximately S$149.6 million as at 31 December 2017 accounted for approximately 44.2% of the LTC Group's total assets as at 31 December 2017. The remaining properties for which no valuation was conducted comprised 2 completed properties held for sale with aggregate net book value of approximately S$0.6 million and properties under development with net book value of approximately S$14.9 million as at 31 December 2017.

The Directors represented and confirmed the following:-

(i) The Directors are aware of and satisfied with the selection of the Appraised Properties for the valuation exercise. The Appraised Properties accounted for approximately 44.2% of the LTC Group's total assets as at 31 December 2017.

(ii) Having reviewed the Valuation Certificates (*inter alia*, the assumptions, methodology used and information relied upon by the Independent Valuers) as a whole and the Directors are of the opinion that the assumptions and methodology of the Valuation Certificates are reasonable.

(iii) To their best knowledge and belief, as at the Latest Practicable Date, save as disclosed in the unaudited financial statements of the Group as at 31 December 2017, the announcements released by the Company on the SGXNET and the Circular, there have been no known material events that have or will have material impact to the unaudited statement of financial position of the Group since 31 December 2017.

(iv) As at the Latest Practicable Date, there has been no firm offer for the completed properties held for sale.

(v) The long-term investments with net book value of approximately S$4.8 million as at 31 December 2017 comprised the LTC Group's investment in quoted and unquoted securities and as at the Latest Practicable Date, there is no material differences between the estimated market value of the LTC Group's long-term investment and its net book values as at 31 December 2017.

(vi) As at the Latest Practicable Date, save for the Appraised Properties which are subject to valuation, there are no material differences between the estimated market value of the remaining property, plant and equipment and assets (including, *inter alia,* 2 completed properties held for sale, properties under development and long term investments) for which no valuation was performed and their respective book values as at 31 December 2017 which would have a material impact on the NAV and NTA of the LTC Group.

We have not made any independent evaluation or appraisal of the LTC Group's assets and we have been furnished by the Company with the Valuation Certificates in respect of the market value of the Appraised Properties. With respect to such valuation, we are not experts in the

evaluation or appraisal of the Appraised Properties and have relied on the Valuation Certificates for the market value of the Appraised Properties and opinion of and confirmation from the Directors.

The aggregate market value of the Appraised Properties as ascribed by the Independent Valuers as at the Valuation Date is approximately S$151.8 million.

For illustrative purpose only, the revaluation surplus for the Appraised Properties has been calculated and presented in the table below assuming a hypothetical sale of the Appraised Properties at the value ascribed by the Independent Valuers above. Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of valuation. We note from the Appendix II of the Circular that based on the Valuation Certificates, the potential tax liabilities that may be incurred by the Company on the hypothetical disposal of the Appraised Properties on an "as is" basis is approximately S$486,000.

We note from section 8.7 of Appendix II of the Circular that the aforesaid tax liabilities will not crystallise if the Company does not dispose of its interests in the Appraised Properties. As at the Latest Practicable Date, save for the Appraised Properties which are held for sale, the Company has no current plans to dispose of its interests in the Appraised Properties and accordingly, the aforesaid tax liabilities are not likely to crystallise.

RNAV and RNTA[(1)]	**S$'000**
Aggregate market value of the Appraised Properties as at the Valuation Date	151,791
Less: aggregate net book value of the Appraised Properties as at 31 December 2017	(149,633)
Revaluation surplus from the Appraised Properties	**2,158**
NAV and/or NTA as at 31 December 2017	257,387
Add: Revaluation surplus from the Appraised Properties	2,158
Less: Potential tax liabilities[(2)]	(486)
RNAV and/or RNTA	**259,059**
RNAV and/or RNTAper Share (S$)[(3)]	**1.66**
Discount of Offer Price from RNAV and/or RNTA per Share (%)	**(44.1)%**

Notes:

(1) Figures and computations are subject to rounding.

(2) Figure for potential tax liabilities is provided and confirmed by the Management.

(3) Based on the Company's total number of Shares comprising 156,453,000 Shares as at the Latest Practicable Date.

Based on the table above, after taking into account the market value of the Appraised Properties, the Group's RNAV and/or RNTA per Share is approximately S$1.66. The Offer Price of S$0.925 for each Offer Share represents a discount of approximately 44.1% from the Group's RNAV and/or RNTA per Share respectively. The discount implied by the Offer Price from the LTC Group's RNAV and/or RNTA per Share of approximately 44.1% should be assessed in conjunction with the fact that for the 12 months period prior to the Last Trading Day, the closing prices for the Shares were on average at a discount of 61.5% from the Group's NAV per Share (please refer to section 8.4 of this Letter).

While the RNAV and/or RNTA per Share is a relevant basis for comparison, the Independent Directors should note that it is not necessarily a realisable value as the market value of the Appraised Properties and any tax liabilities arising from the sale of the Appraised Properties may vary depending on prevailing market and economic conditions. We wish to highlight that the Group's RNAV and/or RNTA shown above include the revaluation surplus arising from the hypothetical sale of the Appraised Properties. Shareholders should note that the LTC Group has not realized the surplus on such asset as at the Latest Practicable Date, and that there is no assurance that the revaluation surplus or deficit eventually recorded by the LTC Group on the Appraised Properties (in the event they are disposed) will be the same as indicated above.

In addition, as set out in section 11 of the Offer Document, the Offeror intends for the Company to continue with its existing activities and there are currently no plans (i) introduce any major changes to the business or operations of the LTC Group; (ii) re-deploy the fixed assets of the LTC Group; or (iii) discontinue the employment of any of the existing employees of the LTC Group, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options in relation to the LTC Group which may present themselves and which the Offeror may regard to be in its interest.

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 LTC Group is as stated above. It also does not imply that the assets or properties of the LTC 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 LTC 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 LTC Group as a going concern nor can it capture or illustrate any value for the LTC Group's goodwill or branding. In addition, it does not illustrate the values at which the assets may actually be realized or disposed.

8.3. Relative valuation analysis

In evaluating the Offer Price, we have considered the financial performance, financial positions and valuation statistics of selected comparable companies that may, in our view, be broadly comparable to the core businesses of the LTC Group, which are principally engaged in (a) steel trading ("**Selected Steel Companies**"); and (b) property development and property rental ("**Selected Property Companies**") (collectively the "**Selected Comparable Companies**").

The Selected Comparable Companies have been identified after a search was carried out on the Singapore Stock Exchange ("**SGX**") and evaluation of the companies operating in the same industry as the LTC Group for the respective business segments. We have had discussions with the Directors and Management about the suitability and reasonableness of these Selected Comparable Companies acting as a basis for comparison with the relevant core businesses of the LTC Group. For the Selected Steel Companies, we have excluded Lee Metal Group Ltd ("**Lee Metal**") and BRC Asia Limited ("**BRC Asia**") as their valuation and share prices may be affected by the pre-conditional voluntary cash offer for Lee Metal by BRC Asia, which was announced on 21 February 2018 and is still ongoing as at the Latest Practicable Date.

Relevant information has been extracted from the annual reports and/or public announcements of the Selected Comparable Companies. Notwithstanding our use of these companies for peer analysis, the Selected Comparable Companies may or may not have similar business or operations or similar assets or geographical markets as the LTC Group, and their accounting policies with respect to the values for which the assets or the revenue or cost are recorded or the relevant financial period compared may differ from the LTC Group. In addition, the liquidity of the shares of the Selected Comparable Companies may differ from that of the Shares and shares of the Selected Comparable Companies trade at may be caused by any actual perceived or fundamentally determined risk premiums.

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

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

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

The Selected Steel Companies are set out below.

Selected Steel Companies	**Market capitalisation (S$' million)**	**Principal Activities**
AnnAik Limited ("**AnnAik**")	27.1	The group is engaged in manufacturing forged steel flanges, and distributing stainless steel pipes, flanges, buttwelded fittings, low/high pressure fittings, valves, stub ends and flat products.
Asia Enterprises Holding Limited ("**Asia Enterprises**")	62.6	The group is a distributor of a range of steel products to industrial end users. It operates through three segments: steel distribution, provision of steel processing and corporate.
HG Metal Manufacturing Limited ("**HG Metal**")	53.5	The group is engaged in the business of trading of steel products with two operating segments: trading segment, which is engaged in the supplying of steel products and includes the holding of investments in subsidiaries in the business of steel distribution and provision of industrial steel services, and manufacturing segment, which produces construction steel products and provides related engineering services.
Sin Ghee Huat Corporation Ltd ("**Sin Ghee Huat**")	46.6	The group is engaged in the sales and distribution of stainless steel products. It trades and sells stainless steel and specialty metal products, including bars, plates, pipes, flanges, tubes and fittings.

***Source**: Bloomberg, SGX-ST and the respective company's website*

The Selected Property Companies are set out below.

Selected Property Companies	**Market capitalisation (S$' million)**	**Principal Activities**
Boustead Projects Limited ("**Boustead Projects**")	283.1	The group principal activities include design-and-build and development of industrial facilities and industrial parks for lease or sale. Its segments include Design-and-Build, engaged in providing design-and-build know-how for custom-built facilities for multinational corporations and local enterprises, including industrial facilities, commercial buildings, and business and industrial parks, and leasing, engaged in owning and leasing of industrial facilities.

Selected Property Companies	Market capitalisation (S$' million)	Principal Activities
Goodland Group Limited ("**Goodland**")	108.2	The group is a property developer specializing in residential developments. Its segments include property development, construction and property investment.
Keong Hong Holdings Limited ("**Keong Hong**")	140.6	The group is engaged in construction, property development and investment property.
Sing Holdings Limited ("**Sing Holdings**")	176.4	The group is a Singapore-based property development company. It invests and develops landed houses, apartments, condominiums, office and industrial buildings, factories to warehouses.

***Source**: Bloomberg, SGX-ST and the respective company's website*

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

Selected Comparable Companies	LTM ROE[(1)] (%)	LTM net profit margin[(2)] (%)	LTM asset turnover[(3)] (times)	Total liabilities[(4)]/ shareholder equity[(5)] (times)	Total borrowings[(6)] /shareholder equity[(5)] (times)
(A) Selected Steel Companies					
AnnAik	n.m. [(7)]	n.m. [(7)]	0.5	0.9	0.5
Asia Enterprises	1.3%	4.0%	0.3	0.1	No borrowings
HG Metal	n.m. [(8)]	n.m. [(8)]	1.3	0.2	0.001
Sin Ghee Huat	n.m. [(9)]	n.m. [(9)]	0.4	0.04	0.007
MAXIMUM	**1.3%**	**4.0%**	**1.3**	**0.9**	**0.5**
MINIMUM	**1.3%**	**4.0%**	**0.3**	**0.04**	**0.001**
MEDIAN	**1.3%**	**4.0%**	**0.4**	**0.1**	**0.01**
SIMPLE AVERAGE	**1.3%**	**4.0%**	**0.6**	**0.3**	**0.2**
(B) Selected Property Companies					
Boustead Projects	15.3%	20.6%	0.4	0.8	0.3
Goodland	8.6%	28.4%	0.2	1.0	0.4
Keong Hong	35.0%	27.0%	0.5	1.4	0.5
Sing Holdings	1.6%	10.0%	0.1	1.3	1.1
MAXIMUM	**35.0%**	**28.4%**	**0.5**	**1.4**	**1.1**
MINIMUM	**1.6%**	**10.0%**	**0.1**	**0.8**	**0.3**
MEDIAN	**11.9%**	**23.8%**	**0.3**	**1.1**	**0.5**
SIMPLE AVERAGE	**15.1%**	**21.5%**	**0.3**	**1.1**	**0.6**
COMBINED (A) + (B)					
MAXIMUM	**35.0%**	**28.4%**	**1.3**	**1.4**	**1.1**
MINIMUM	**1.3%**	**4.0%**	**0.1**	**0.04**	**0.001**
MEDIAN	**8.6%**	**20.6%**	**0.4**	**0.9**	**0.4**
SIMPLE AVERAGE	**12.4%**	**18.0%**	**0.4**	**0.7**	**0.4**
LTC Group	**3.0%**	**6.5%**	**0.4**	**0.2**	**0.1**

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

Notes:

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

(2) *LTM net profit margin is the ratio of the most recent twelve months consolidated net profits after tax attributable to shareholders to the most recent twelve months total consolidated revenue of the respective companies.*

(3) LTM asset turnover is the ratio of the most recent twelve months total consolidated revenue to the total consolidated assets of the respective companies.

(4) Total liabilities include all the liabilities of the respective companies but exclude any contingent liabilities, if any.

(5) Shareholders' equity is the consolidated shareholders' funds excluding minority interest of the respective companies.

(6) Total borrowings include all bank loans and borrowings as well as hire purchase obligations and interest bearing debts, where applicable.

(7) AnnAik incurred a loss after tax attributable to owners of the Company of approximately S$0.6 million for the LTM ended 30 June 2017. Hence, AnnAik's LTM ROE and LTM net profit margin ratios are negative and not meaningful.

(8) HG Metal incurred a loss after tax attributable to owners of the Company of approximately S$11.9 million for the LTM ended 31 December 2017. Hence, HG Metal's LTM ROE and LTM net profit margin ratios are negative and not meaningful.

(9) Sin Ghee Huat incurred a loss after tax attributable to owners of the Company of approximately S$0.4 million for the LTM ended 31 December 2017. Hence, Sin Ghee Huat's LTM ROE and LTM net profit margin ratios are negative and not meaningful.

For illustrative purposes only, we note the following:-

(i) The LTC Group recorded LTM ROE and LTM net profit margin of approximately 3.0% and 6.5% respectively, and these are substantially lower than the simple average and median but still within the range for the Selected Comparable Companies. .

(ii) The LTC Group's LTM asset turnover ratio was approximately 0.4 times for LTM17, which is within the range and in line with the simple average and median for the Selected Comparable Companies.

(iii) The LTC Group's ratios for total liabilities to shareholders' equity and total borrowings to shareholders' equity stood at approximately 0.2 and 0.1 times as at 31 December 2017, respectively, and these ratios are within the range and substantially lower than the simple average and median for the Selected Comparable Companies.

In summary, LTC Group's LTM ROE and LTM net profit margin although appear to be lower than the median and simple average, they are still within the range of the Selected Comparable Companies. LTC Group's LTM asset turnover appears to be in line with the simple average and median for the Selected Comparable Companies. In terms of its financial position, the LTC Group's total liabilities to shareholders' equity and total borrowings to shareholders' equity as at 31 December 2017 appears to be more favourable than the simple average and median for the Selected Comparable Companies.

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

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

Selected Comparable Companies	Market Capitalisation (S$ m)	LTM EV/ EBITDA[(1)] (times)	LTM PER[(2)] (times)	P/NAV[(3)] (times)	P/NTA[(4)] (times)	Premium/ (discount) over/from NTA (%)
(A) Selected Steel Companies						
AnnAik	27.1	16.5	n.m.[(5)]	0.5	0.5	(48.5)%
Asia Enterprises	62.6	3.9	50.5	0.7	0.7	(33.1)%
HG Metal	53.5	n.m. [(6)]	n.m. [(6)]	0.5	0.5	(48.6)%
Sin Ghee Huat	46.6	143.6	n.m. [(7)]	0.6	0.6	(44.1)%
MAXIMUM	**62.6**	**143.6**	**50.5**	**0.7**	**0.7**	**(33.1)%**
MINIMUM	**27.1**	**3.9**	**50.5**	**0.5**	**0.5**	**(48.6)%**
MEDIAN	**50.1**	**16.5**	**50.5**	**0.5**	**0.5**	**(46.3)%**
SIMPLE AVERAGE	**47.5**	**54.7**	**50.5**	**0.6**	**0.6**	**(43.6)%**
(B) Selected Property Companies						
Boustead Projects	283.1	4.6	7.5	1.2	1.2	15.3%
Goodland	108.2	43.9	6.1	0.5	0.5	(48.0)%
Keong Hong	140.6	2.2	2.3	0.8	0.8	(21.1)%
Sing Holdings	176.4	44.7	42.8	0.7	0.7	(30.7)%
MAXIMUM	**283.1**	**44.7**	**42.8**	**1.2**	**1.2**	**15.3%**
MINIMUM	**108.2**	**2.2**	**2.3**	**0.5**	**0.5**	**(48.0)%**
MEDIAN	**158.5**	**24.3**	**6.8**	**0.7**	**0.7**	**(25.9)%**
SIMPLE AVERAGE	**177.1**	**23.9**	**14.7**	**0.8**	**0.8**	**(21.1)%**
COMBINED (A) + (B)						
MAXIMUM	**283.1**	**143.6**	**50.5**	**1.2**	**1.2**	**15.3%**
MINIMUM	**27.1**	**2.2**	**2.3**	**0.5**	**0.5**	**(48.6)%**
MEDIAN	**85.4**	**4.3[(8)]**	**6.1 [(9)]**	**0.6**	**0.5**	**(38.6)%**
SIMPLE AVERAGE	**112.3**	**6.8[(8)]**	**5.3 [(9)]**	**0.7**	**0.7**	**(32.4)%**
LTC Group	**144.7**	**10.3**	**18.6**	**0.6[(10)]**	**0.6[(10)]**	**(44.1)% [(10)]**

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

Notes:

(1) The LTM EV/EBITDA for the Selected Comparable Companies is based on the most recent twelve months EBITDA as reported by the respective companies.

(2) The LTM PERs for the Selected Comparable Companies are based on the most recent twelve months earnings after tax as reported by the respective companies.

(3) The P/NAV ratios for the Selected Comparable Companies are based on their respective NAV values as set out in their latest available announced audited or unaudited financial statements.

(4) The P/NTA ratios for the Selected Comparable Companies are based on their respective NTA values as set out in their latest available announced audited or unaudited financial statements.

(5) AnnAik incurred a loss after tax attributable to owners of the Company of approximately S$0.6 million for the LTM ended 30 June 2017. Hence, AnnAik's LTM ROE and LTM net profit margin ratios are negative and not meaningful.

(6) HG Metal incurred a loss after tax attributable to owners of the Company of approximately S$11.9 million for the LTM ended 31 December 2017. Hence, HG Metal's LTM ROE and LTM net profit margin ratios are negative and not meaningful.

(7) Sin Ghee Huat incurred a loss after tax attributable to owners of the Company of approximately S$0.4 million for the LTM ended 31 December 2017. Hence, Sin Ghee Huat's LTM ROE and LTM net profit margin ratios are negative and not meaningful.

(8) For LTM EV/EBITDA ratios, Sin Ghee Huat, Goodland and Sing Holdings are excluded as they are deemed as outliers.

(9) For LTM PER ratios, Asia Enterprises and Sing Holdings are excluded as they are deemed as outliers.

(10) Based on the LTC Group's RNAV and/or RNTA per Share as set out in section 8.2 of this Letter.

For illustrative purposes only, we note:–

(i) The market capitalisation of the LTC Group as implied by the Offer Price of approximately S$144.7 million is within the range and higher than the simple average and median for the Selected Comparable Companies. We note that the trading statistics for companies with higher market capitalisation may be different than those with lower market capitalisation and this may be attributable to the relative liquidity in terms of number or value of shares traded as well as relative interest in the shares of companies with larger market capitalisation.

(ii) The valuation of the LTC Group (as implied by the Offer Price) in terms of LTM EV/EBITDA of approximately 10.3 times is within the range, higher than the median and in line with the simple average for the Selected Comparable Companies (excluding the outliers).

(iii) The valuation of the LTC Group (as implied by the Offer Price) in terms of LTM PER of approximately 18.6 times is within the range and higher than the simple average and median for the Selected Comparable Companies (excluding the outliers).

(iv) The valuation of the LTC Group in terms of both P/NAV and P/NTA (as implied by the Offer Price and the LTC Group's RNAV and/or RNTA per Share) is slightly lower than the simple average and median, but still within the range of the Selected Comparable Companies.

In summary, the valuation of the Group (as implied by the Offer Price) appears to be fairly comparable (in terms of P/NAV and P/NTA ratios) or more favourable (in terms of LTM EV/EBITDA and LTM PER) than the Selected Comparable Companies (excluding the outliers). Independent Directors are advised to review the Offer and the comparison of the LTC Group's valuation ratios with the Selected Comparable Companies in conjunction with the following facts:

(i) Notwithstanding the Group's relatively better financial position (in terms of the ratios for total liabilities to shareholders' equity and total borrowings to shareholders' equity) and LTM assets turnover ratio, the Group's financial performance (in terms of LTM ROE and LTM net profit margin) appears to be within the range of the Selected Comparable Companies;

(ii) the trading statistics for the shares of the Selected Comparable Companies are based on transactions which do not result in acquisition of control whilst for the Offer, the Offeror's intention is to delist and privatise the Company; and

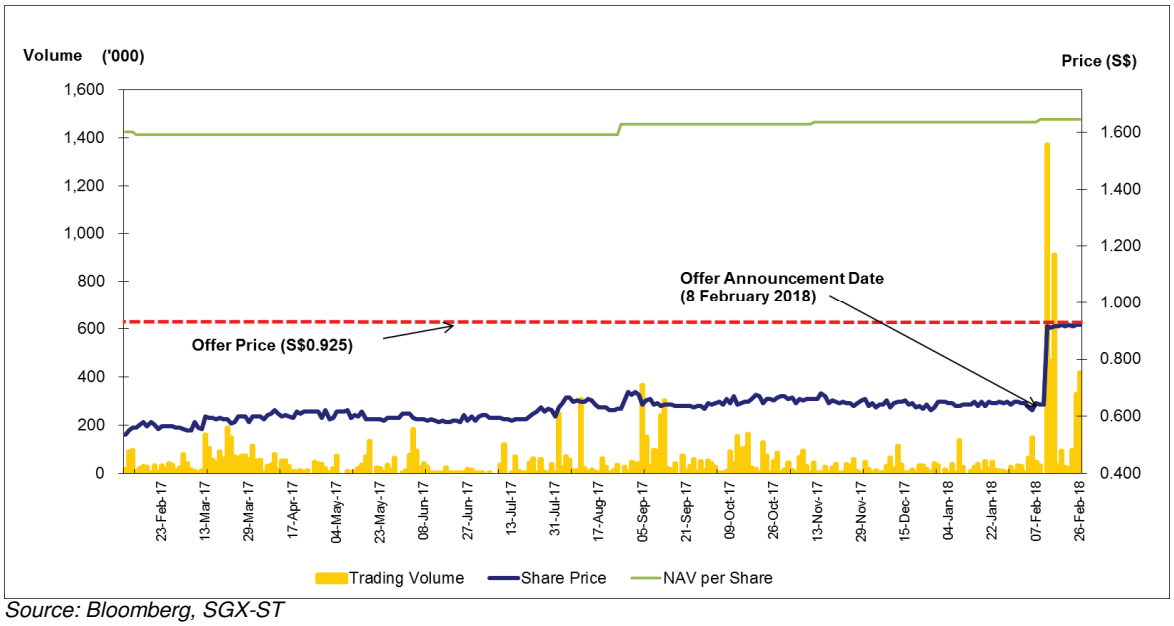
(iii) The discount implied by the Offer Price from the LTC Group's RNAV per Share of approximately 44.1% should be assessed in conjunction with the fact that for the 12 months period prior to the Last Trading Day, the closing prices for the Shares were on average at a discount of 61.5% from the Group's NAV per Share (please refer to section 8.4 of this Letter).

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

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

8.4. 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 9 February 2017, being the Market Day 12 months prior to 8 February 2018 (being the last trading day immediately preceding the Offer Announcement Date or the "**Last Trading Day**") and ending on the Latest Practicable Date is set out below:–



Source: Bloomberg, SGX-ST

We note that the Company requested for a trading halt on 8 February 2018 (after market closed). On 9 February 2018, being the Offer Announcement Date, the trading halt for Shares were lifted at 5.09 p.m after market closed.

For the period commencing from 9 February 2017 and ending on the Last Trading Day prior to the Offer Announcement Date (both dates inclusive), we note that the Shares were traded on 239 Market Days out of a total 252 Market Days (or approximately 94.8%) and the market prices for the Shares during the said period were always below the Offer Price. It is noted from the Offer Document that the Offer Price exceeds the highest closing price of the Company since the year 2000 up to and including the Last Trading Day.

For the period commencing on the Market Day immediately after the Offer Announcement Date (after lifting of the trading halt) to the Latest Practicable Date, the Shares were traded on 10 Market Days out of a total 10 Market Days and the prices for the Shares were underpinned by the Offer increasing by approximately 43.8% to close at S$0.920 as at the Latest Practicable Date but remained slightly below the Offer Price during the said period.

As a general market comparison and observation, the FTSE Straits Times Index ("**FTSE STI**") increased slightly by approximately 10.9% for the period commencing from 9 February 2017 and ending on 8 February 2018, being the Last Trading Day prior to the Offer Announcement Date. Subsequently, the FTSE STI increased by approximately 4.4% from 9 February 2018 to the Latest Practicable Date. For the same period commencing from 9 February 2017 and ending on 8 February 2018, being the Last Trading Day prior to the Offer Announcement Date, the closing prices for the Shares increased by approximately 19.6% and subsequently increased by 43.8% to close at S$0.920 as at the Latest Practicable Date. We observed that the Shares have outperformed the FTSE STI for both the 12 months period prior to the Last Trading Day preceding the Offer Announcement Date and the period commencing on the Market Day immediately after the Offer Announcement Date (after lifting of the trading halt) till the Latest Practicable Date (likely underpinned by the Offer).

We further note from the chart that for the 12 months period prior to the Last Trading Day, the closing prices for the Shares were generally lower than the LTC Group's NAV per Share (on average at a discount of 61.5% from the Group's NAV per Share).

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.

	VWCP per Share (S$)[1]	Premium of the Offer Price over the VWCP per Share (%)	Lowest transacted price (S$)	Highest transacted price (S$)	Average daily trading volume[2]	Average daily trading volume as % of free-float[3] (%)
For the period prior to the Offer Announcement Date (8 February 2018)						
Last 12 months	0.622	48.6%	0.535	0.700	39,227	0.05%
Last 6 months	0.645	43.4%	0.600	0.700	42,135	0.05%
Last 3 months	0.641	44.3%	0.600	0.680	26,089	0.03%
Last 1 month	0.636	45.4%	0.600	0.655	34,496	0.04%
Last transacted price on 8 February 2018 (being the Last Trading Day prior to the Offer Announcement Date)[4]	0.640	44.5%	0.640	0.650	33,400	0.04%
For the period commencing on the Market Day immediately after the Offer Announcement Date up to the Latest Practicable Date (26 February 2018)						
Till the Latest Practicable Date	0.916	1.0%	0.910	0.920	377,030	0.40%
Latest Practicable Date[5]	0.920	0.5%	0.915	0.920	33,400	0.04%

***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 79,005,000 Shares or approximately 50.5% of the total number of 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 8 February 2018, being the last transacted price for the Shares on the Last Trading Day prior to the Offer Announcement Date. We noted that the Company requested for a trading halt after the market closed on 8 February 2018.

(5) This represents the last transacted price instead of VWCP for the Shares on 26 February 2018, 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 the Offer Price:–

(i) represents a premium of approximately 44.5% over the last transacted price of S$0.640 per Share for the Shares on the SGX-ST on 8 February 2018, being the Last Trading Day immediately preceding the Offer Announcement Date;

(ii) represents a premium of approximately 48.6%, 43.4%, 44.3% and 45.4% over the VWCP for the Shares for the 12-month, 6-month, 3 month and 1 month period prior to the Last Trading Day immediately preceding the Offer Announcement Date respectively;

(iii) represents a premium of approximately 1.0% over the VWCP for the Shares for the period commencing on the Market Day immediately after the Offer Announcement Date (after lifting of the trading halt) and ending on the Latest Practicable Date; and

(iv) represents a slight premium of approximately 0.5% over the last transacted price of S$0.92 per Share on the SGX-ST on 26 February 2018, 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 9 February 2017 and ending on the Latest Practicable Date, we note that:–

(i) from 9 February 2017 to 8 February 2018, being the Last Trading Day preceding the Offer Announcement Date (both dates inclusive), Shares were traded on 239 Trading Days (approximately 94.8%) out of the total 252 Market Days during the period, with the total number of Shares traded being approximately 9.9 million Shares and an average daily trading volume (based on a total of 252 Market Days) of approximately 39,227 Shares, which represents approximately 0.03% of the total number of Shares as at the Latest Practicable Date or approximately 0.05% of the total number of Shares held by Shareholders other than the Substantial Shareholders (including the Offeror and its Concert Parties) and Directors as at the Latest Practicable Date.

(ii) for the period commencing on the Market Day immediately after the Offer Announcement Date (after lifting of the trading halt) till the Latest Practicable Date (both dates inclusive), Shares were traded on 10 Trading Days out of the total 10 Market Days during the period, with the total number of Shares traded being approximately 3.8 million Shares and an average daily trading volume of approximately 377,030 Shares, which represents approximately 0.24% of the total number Share as at the Latest Practicable Date or approximately 0.48% of the total number Share held by Shareholders other than the Substantial Shareholders (including the Offeror and its Concert Parties) and 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 prior to the Last Trading Day immediately preceding the Offer Announcement Date is relatively low as compared to the total number of 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 trading activities for 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 239 Trading Days out of the total 252 Market Days during the 1 year period prior to the Last Trading Day preceding the Offer Announcement Date. It is generally accepted that the more actively traded the shares, the greater the reliance on market prices as a determination of the fair value of the shares between willing buyer and willing seller. Whilst historically transacted prices for the Shares may not be a meaningful indicator of its fundamental value in view of the lack of liquidity for the Shares (in terms of number of Shares traded on daily basis), they nonetheless represent the prices for transactions between willing buyer and willing seller.

We also note that the number of Shares that were traded on a daily basis for the period commencing on the Market Day immediately after the Offer Announcement Date (after lifting of the 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 Offer Announcement Date and the Shares were traded on 10 Market Days out of the total 10 Market Days for the said period. As mentioned earlier, the prices for the Shares had significantly outperformed the FTSE STI for the period commencing on the Offer Announcement Date (after lifting of the trading halt) to the Latest Practicable Date. The substantial increase in prices for the Shares and the higher average daily trading volume for the Shares subsequent to the Offer 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 on the Offer Announcement Date (after lifting of the trading halt) and ending on the Latest Practicable Date in the event that the Offer closes.

Independent Directors should note that given the low liquidity of the Shares (in terms of number of Shares traded on daily basis) during the periods observed, the Offer may represent a realistic exit opportunity for the Shareholders to realise their entire investment for cash and that the Offer Price is at a significant premium above market prices of Shares for periods prior to the Offer Announcement Date. It is noted from the Offer Document that the Offer Price exceeds the highest closing price for the Shares since year 2000 and up to and including the Last Trading Day. In the absence of the Offer, such an exit for all Shareholders other than the Offeror and its Concert Parties may not be readily available due to the low trading liquidity for the Shares. For illustrative purpose only, based on the average daily trading volume of 39,227 Shares for the period 12 months prior to the Last Trading Day, it would take approximately 2,014 Market Days or close to 8 years (based on 252 Market Days per year) for the public Shareholders to be able to sell off their 79,005,000 Shares in the market.

Independent Directors should also 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.

8.5. Comparison with other successful privatization and delisting transactions in Singapore

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 Offer with other selected similar successful transactions by listed companies on the SGX-ST involving:–

(i) Privatisation by way of general offers ("**Selected Successful Privatisations**"); and

(ii) Voluntary delisting ("**Selected Successful Delistings**")

which have been announced since January 2015 and which has since been completed.

In making the comparison herein, we wish to highlight that the companies selected and covered herein 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 specialization, 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 offer 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 the valuation ratio in connection with privatisations or acquisition companies listed on the SGX-ST without regard to their specific industry characteristics or other considerations. Each of the offer for Selected Successful Privatisations, and Selected Successful Delistings must be judged on its own commercial and financial merits. The lists of target companies involved in the Selected Successful Privatisations, and Selected Successful Delistings are by no means exhaustive and as such any comparison made only serves as an illustration.

Selected Successful Privatisations

			Premium/(Discount) of offer price over/(from)			
	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/NAV (times)[2]
Popular Holdings Limited	14-Jan-15	61.3	39.1	39.7	37.3	1.1[3]
Keppel Land Limited	23-Jan-15	54.6	20.0	25.0	29.0	0.7[4]
Lizhong Wheel Group Ltd.	17-Aug-15	69.9	96.1	90.8	74.8	0.6[5]
Chosen Holdings Limited	1-Sep-15	51.0	21.2	26.3	27.0	0.8[6]
Tiger Airways Holdings Limited	6-Nov-15	55.8	32.3	35.3	42.4	4.9[7]
Neptune Orient Lines Limited[8]	7-Dec-15	66.8	48.6	51.0	32.9	1.0[8]
Li Heng Chemical Fibre Technologies Limited	22-Dec-15	81.0	115.1	100.8	104.5	0.4[9]
Interplex Holdings Ltd.	23-Dec-15	57.7	15.5	10.8	12.9	1.7[10]
China Yongsheng Limited	24-Feb-16	68.1	52.4	67.5	62.4	0.7[11]
Xinren Aluminium Holdings Limited	25-Feb-16	75.5	66.7	63.9	63.5	1.5[12]
OSIM International Ltd	7-Mar-16	70.2	27.0	40.9	42.5	2.6[13]
Select Group Limited	23-Mar-16	61.3	23.5	38.2	43.4	3.0[14]
GMG Global Limited	28-Mar-16	51.1	10.8	25.2	39.9	0.7[15]
Pteris Global Limited	21-Apr-16	75.6	15.8	19.3	24.6	0.9[16]
China Merchants Holdings (Pacific) Limited	9-May-16	83.0	22.9	21.9	25.5	1.1[17]
Eu Yan Sang International Limited	16-May-16	63.1	2.6	8.5	16.5	1.7[18]
Sim Lian Group Limited	8-Aug-16	80.4	14.9	16.8	19.5	0.8[19]
China Minzhong Food Corporation Limited	6-Sep-16	87.8	25.0	24.8	23.1	0.7[20]
China Auto Electronics Group Limited[21]	24-Oct-16	74.4	23.1	50.9	65.0	1.2[21]
Super Group Limited[22]	3-Nov-16	60.0	62.5	60.5	62.5	2.7[22]
Auric Pacific Group Limited	7-Feb-17	80.0	13.4	17.8	23.8	1.2[23]
Global Premium Hotels Limited	16-Mar-17	75.0	14.1	18.5	21.7	0.7[24]
Top Global Limited	28-Mar-17	77.4	50.0	65.0	65.0	0.3[25]
Nobel Design Holdings Ltd	2-May-17	64.3	8.5	9.4	15.9	0.7[26]
Changtian Plastic & Chemical Limited	29-May-17	79.9	45.3	46.6	48.2	0.4[27]
China Flexible Holdings Limited	19-Jun-17	58.4	23.2	24.3	28.2	0.6[28]
CWT Limited	9-Jul-17	65.1	5.9	6.4	14.8	1.5[29]
Lafe Corporation Limited	1-Aug-17	58.8	125.0	127.0	103.9	0.3[30]
GP Batteries International Limited	22-Sep-17	64.9	62.5	62.9	62.7	0.9[31]
Poh Tiong Choong Logistics Limited	20-Oct-17	22.7	1.6	30.1	41.3	3.1[32]
MAXIMUM		**87.8**	**125.0**	**127.0**	**104.5**	**4.9**
MINIMUM		**22.7**	**1.6**	**6.4**	**12.9**	**0.3**
MEDIAN		**65.9**	**23.4**	**32.7**	**38.6**	**0.9**
SIMPLE AVERAGE		**66.5**	**36.2**	**40.9**	**42.5**	**1.3**
LTC Group	**9-Feb-18**[33]	**49.5**	**44.5**	**46.1**	**45.4**	**0.6**[34]

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 the date of the offer document.

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

(3) Based on the revalued NAV per share of S$0.2957 as at 31 October 2014.

(4) Based on base offer price of S$4.38 per share. Based on the revalued NAV per share as at 31 December 2014.

(5) Based on the RNAV per share of Lizhong Wheel Group Limited as at 30 June 2015.

(6) Based on the RNAV per share of Chosen Holdings Limited as at 30 June 2015.

(7) Based on the NAV per share of Tiger Airways Holdings Limited as at 30 September 2015.

(8) Based on the pre-conditional offer announcement date, being 7 December 2015.

(9) Based on the RNAV per share of Li Heng Chemical Fibre Technologies Limited as at 30 September 2015.

(10) Based on the pre-conditional offer announcement date. Based on the unaudited NAV per share of Interplex Holdings Ltd as at 31 December 2015.

(11) Based on the revalued NAV per share of China Yongsheng Limited as at 31 December 2015.

(12) Based on the revalued NAV per share of Xinren Aluminium Holdings Limited as at 31 December 2015.

(13) Based on revised offer price of S$1.41 per share. Based on NAV per share of OSIM International Ltd as at 31 December 2015.

(14) Based on the NAV per share of Select Group Limited as at 31 December 2015.

(15) Based on the midpoint of the P/NAV range of GMG Global Ltd of 0.72-0.77 as at 31 December 2015 implied by the respective Halcyon Agri Corporation Limited (offeror) VWAP for the 1, 3 and 6 month periods prior to the pre-conditional announcement date of 28 March 2016.

(16) Based on the revalued NAV per share of Pteris Global Limited (excluding non-controlling interest) as at 31 March 2016.

(17) Based on the revalued NAV per share of China Merchants Holdings (Pacific) Limited as at 31 March 2016.

(18) Based on the revalued NAV per share of Eu Yan Sang International Ltd as at 31 March 2016.

(19) Based on the revalued NAV per share of Sim Lian Group Limited as at 30 June 2016.

(20) Based on the NAV per share of China Minzhong Food Corporation Limited as at 30 September 2016.

(21) Based on the NAV per share of China Auto Electronics Group Limited on a diluted basis (after bond conversion) as at 30 June 2016.

(22) Based on the pre-conditional offer announcement date, being 3 November 2016. Based on the NAV per share of Super Group Limited as at 31 December 2016.

(23) Based on the revalued NAV per share of Auric Pacific Group Limited as at 31 December 2016.

(24) Based on the revalued NAV per share of Global Premium Hotels Limited as at 31 December 2016.

(25) Based on the NAV per share of Top Global Limited as at 30 June 2017.

(26) Based on the revalued NAV per share of Noble Design Holdings Ltd as at 31 March 2017.

(27) Based on the revalued NAV per share of Changtian Plastic & Chemical Limited as at 31 March 2017.

(28) Based on the revalued NAV per share of China Flexible Holdings Limited which includes the net proceeds from the exercise of warrants.

(29) Based on revalued NAV per share of CWT Limited as at 30 June 2017.

(30) Based on revalued NAV per share of Lafe Corporation Limited as at 30 June 2017.

(31) Based on revalued NAV per share of GP Batteries International Limited as at 30 June 2017.

(32) Based on NAV per share of Poh Tiong Choong Logistics Limited as at 30 June 2017.

(33) Being the Offer Announcement Date.

(34) Based on the LTC Group's NAV per Share as described in section 8.2 of this Letter.

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

(i) As disclosed in the Offer Announcement, the Offeror and its Concert Parties (including the Undertaking Shareholders) held an aggregate interest of approximately 49.5% of the total number of Shares, which is lower than the simple average and median for the Selected Successful Privatisations, but still within the range of the Selected Successful Privatisations.

(ii) The premium of approximately 44.5%, 46.1% and 45.4% as implied by the Offer Price over the last transacted price for Shares on the Last Trading prior to the Offer Announcement Date, the VWAP for the Shares for 1-month period and 3-month period prior to the Last Trading Day respectively are within the range and higher or more favourable than the simple average and median for the Selected Successful Privatisations.

(iii) The valuation of the LTC Group in terms of P/NAV as implied by the Offer Price and the LTC Group's RNAV per Share of approximately 0.6 times is lower than the simple average and the median for the Selected Successful Privatisations but it is still within the range of the Selected Successful Privatisations.

In summary, the valuation of the Group as implied by the Offer Price in terms of premiums over historical prices for the Shares appears to be within the range and more favourable as compared to the simple average and median for the Selected Successful Privatisations. In addition, the valuation of the LTC Group as implied by the Offer Price in terms of the P/NAV ratio appears to be within the range but lower than the simple average and median for the Selected Successful Privatisations. When considered in the context of the shareholding of the Offeror and its Concert Parties (including the Undertaking Shareholders) as set out in the Offer Announcement, lower than both the median and simple average but still within the range for the percentage of shareholding interest for each of the offeror and parties acting in concert as at the start for the Selected Successful Privatisations, the valuation of the LTC Group as implied by the Offer Price in terms of both premiums over historical prices for the Shares and P/NAV ratio, appears to be fairly comparable to the Selected Successful Privatisations.

Selected Successful Delistings

Company	Date of announcement	% shareholding of the offeror and concert parties at the start of transaction[1]	Premium/(Discount) of offer price over/(from) Last Transacted Price prior to announcement (%)	VWAP for 1 Month period prior to announcement (%)	VWAP for 3 Month period prior to announcement (%)	P/NAV (times)[2]
Action Asia Limited	27-Feb-15	80.5	69.6	67.6	66.7	0.7[3]
Junma Tyre Cord Company Limited	10-Mar-15	78.4	222.6	162.3	174.8	0.9[4]
Eastern Holdings Ltd	22-Sep-15	84.0	41.7	67.3	34.1	0.8[5]
Sinotel Technologies Ltd	30-Nov-15	80.5	33.3	30.6	45.5	0.8[6]
China Diary Group Limited	30-Dec-15	48.3	87.7	96.4	82.5	1.1[7]
Xyec Holdings Co., Ltd	29-Mar-16	30.0	50.0	49.3	49.3	1.3[8]
Otto Marine Limited	8-Jun-16	61.1	39.1	44.8	43.5	0.8[9]
Aztech Group Ltd.	20-Sep-16	25.6	29.2	38.3	21.0	0.4[10]
Advanced Integrated Manufacturing Corp Ltd	24-Nov-16	88.2	22.8	20.7	20.7	0.7[11]
Sunmart Holdings Ltd	30-Nov-16	72.3	(39.1)	(39.1)	(37.5)	0.9[12]
Fisher Tech Limited	24-Sept-17	51.3	31.3	46.9	63.6	0.6
Global Logistic Properties Limited	27-Oct-17	36.8	25.2	19.4	17.7	1.1
MAXIMUM		**88.2**	**222.6**	**162.3**	**174.8**	**1.4**
MINIMUM		**25.6**	**(39.1)**	**(39.1)**	**(37.5)**	**0.4**
MEDIAN		**66.7**	**36.2/33.3[13]**	**45.9/44.8[13]**	**44.5/43.5[13]**	**0.8**
SIMPLE AVERAGE		**61.4**	**51.1/35.5[13]**	**50.4/40.2[13]**	**48.5/37.0[13]**	**0.8**
LTC Group	**9-Feb-18**	**49.5**	**44.5**	**46.1**	**45.4**	**0.6[14]**

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 the date of the offer document.

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

(3) Based on the revalued NAV per share of Action Asia Limited as at 31 March 2015.

(4) Based on the revalued NAV per share of Junma Tyre Cord Company Limited as at 31 December 2014.

(5) Based on the revalued NAV per share of Eastern Holdings Ltd as at 30 September 2015.

(6) Based on the unaudited NAV per share of Sinotel Technologies Ltd as at 30 September 2015.

(7) Based on the revalued NAV per share of China Dairy Group Limited as at 31 December 2015.

(8) Based on the NAV per share of Xyec Holdings Co., Ltd. as at 30 September 2015.

(9) Based on the revalued NAV per share of Otto Marine Limited as at 31 March 2016.

(10) Based on the revalued NAV per share of Aztech Group Ltd as at 30 June 2016.

(11) Based on the revalued NAV per share of Advanced Integrated Manufacturing Corp. Ltd. as at 30 September 2016.

(12) Based on the revalued NAV per share of Sunmart Holdings Limited as at 30 September 2016.

(13) Excluding the premiums over historical prices for Junma Tyre Cord Company Limited (deemed as outlier).

(14) Based on the LTC Group's RNAV per Share as described in section 8.2 of this Letter.

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

(i) As announced on 28 February 2018 (which is subsequent to the Latest Practicable Date), the total number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties amount to an aggregate of 77,748,000 Shares, representing approximately 49.69% of the total number of Shares, which is lower than the simple average and median for the Selected Successful Delistings but still within the range for the Selected Successful Delistings.

(ii) The premium of approximately 44.5%, 46.1% and 45.4% as implied by the Offer Price over the last transacted price for Shares on the Last Trading Day prior to the Offer Announcement Date, the VWAP for the Shares for 1-month period and 3-month period prior to the Last Trading Day respectively is within the range and fairly in line with the simple average and median for the Selected Successful Delistings. We noted that for Junma Tyre Cord Company Limited ("**Junma**"), the premiums of the offer price over the historical prices are substantially higher than the rest of the Selected Successful Delistings, as such Junma may be deemed as outlier. In the event that the premiums over historical prices for Junma are excluded, the premiums implied by the Offer Price would be higher and more favourable than the Selected Successful Delistings.

(iii) The valuation of the LTC Group in terms of P/NAV as implied by the Offer Price and the LTC Group's RNAV per share of approximately 0.6 times is lower than the simple average and the median for the Selected Successful Delistings but still within the range of the Selected Successful Delistings.

In summary, the valuation of the LTC Group as implied by the Offer Price in terms of premiums over historical prices for the Shares appears to be fairly in line with the simple average and median for the Selected Successful Delistings or more favourable than the simple average and median for the Selected Successful Delistings (excluding Junma). In addition, whilst the valuation of the LTC Group as implied by the Offer Price in terms of the P/NAV ratio appears to be slightly lower than the simple average and median for the Selected Successful Delistings, it is within the range for the Selected Successful Delistings. When considered in the context of the shareholding of the Offeror and its Concert Parties (including the Undertaking Shareholders) as set out in the Offer Announcement, which is lower than both the median and simple average but still within the range for the percentage

of shareholding interest for each of the offeror and parties acting in concert as at the start for the Selected Successful Delistings, the valuation of the LTC Group as implied by the Offer Price in terms of both premiums over historical prices for the Shares and P/NAV ratio, appears to be fairly comparable with the Selected Successful Delistings.

9. OTHER CONSIDERATIONS

9.1 Shareholding of the Offeror and its Concert Parties

The shareholding of the Offeror and its Concert Parties as at 19 February 2018 (being the latest practicable date of the Offer Document) is set out in Appendix 5 of the Offer Document. We recommend that Shareholders read the Appendix 5 of the Offer Document carefully.

We note the following:-

(i) As at the Offer Announcement Date, the Offeror indirectly held 75,944,000 Shares, constituting approximately 48.54% of the total number Share of the Company. As announced on 28 February 2018 (which is subsequent to the Latest Practicable Date), the total number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties amount to an aggregate of 77,748,000 Shares, representing approximately 49.69% of the total number of Shares.

(ii) As set out in section 4.9 of Appendix II of the Circular, the following Directors who have direct or deemed interests in the Shares have informed the Company of their intentions in respect of the Offer as follows:

(a) Mr Cheng Theng Kee has provided an Irrevocable Undertaking in favour of the Offeror, details of which are set out in section 7 of the Circular and will tender all the Shares held by him in acceptance of the Offer. Mr Cheng Theng Kee is also deemed interested in the Shares held by Ms Chen Shok Ching (being his spouse) and Ms Chen Shok Ching has also provided an Irrevocable Undertaking in favour of the Offeror, details of which are set out in section 7 of the Circular and will tender all the Shares held by her in acceptance of the Offer; and

(b) Mr Cheng Yong Liang has provided an Irrevocable Undertaking in favour of the Offeror, details of which are set out in section 7 of the Circular and will tender all the Shares held by him in acceptance of the Offer.

9.2 Dividend track record

For the purposes of assessing the Offer, we have considered the dividend track record of the Company against the potential returns a Shareholder may potentially obtain by re-investing the proceeds from the Offer in other comparable companies.

Historical dividends paid by the Company

Period	Net Dividend per Share (S$ cents) [1]	Net Dividend Payout [2]	Implied net dividend yield [3]
FY2017	1.00	18.5%	1.1%
FY2016	1.00	22.6%	1.1%
FY2015	1.00	15.6%	1.1%
FY2014	1.00	18.5%	1.1%
FY2013	1.25	5.5%	1.4%

Notes:

(1) Figures provided by the Management.

(2) Based on the net dividend per Share divided by the consolidated basic earnings per Share as reported in the Company's annual reports for the respective financial years. The earnings per Share used for the purpose of the computation above have not been adjusted for the changes in the LTC Group's accounting policies (if any) nor any exceptional one-off items over the years.

(3) Based on the net dividend per Share divided by the Offer Price.

The Directors and Management represented and confirmed that the Company has declared and paid dividends in the past five (5) financial years, being FY2013-FY2017 period. We note from the annual report for the Group for FY2017 that the Company does not have a formal dividend policy and the form, frequency, and amount of dividends will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and others as the Directors may deem appropriate.

Investments in selected alternative investments

Shareholders who accept the Offer at the Offer Price may re-invest the proceeds from the Offer in selected alternative equity investments including the Selected Comparable Companies and/or a broad market index instrument such as the STI Exchange Traded Fund ("**STI ETF**").

For illustrative purposes only, the dividend yield for the selected alternative equity investments based on their ordinary cash dividends as declared for each of their most recent financial year are as follows:

Selected Comparable Companies	**Financial Year End**	**Net Dividend Payout**(1)	**Net Dividend Yield**(2)
Annaik(3)	31-Dec-17	18.9%	1.8%
Asia Enterprises(3)	31-Dec-17	122.0%	2.7%
Boustead	31-Mar-17	22.1%	2.8%
Goodland	30-Sep-17	6.1%	1.0%
HG Metal	31-Dec-17	No dividend	No dividend
Keong Hong	30-Sep-17	6.3%	2.9%
Sin Ghee Huat	30-Jun-17	N.M. (4)	1.0%
Sing Holdings(3)	31-Dec-17	122.0%	2.3%
Average		13.3%(5)	2.1%
STI ETF			2.5%
The LTC Group	30-Jun-17	18.5%	1.1%

Notes:

(1) Based on the net dividend per Share divided by the consolidated basic earnings per Share as reported in the Company's annual reports for the respective financial years. The earnings per Share used for the purpose of the computation above have not been adjusted for the changes in the LTC Group's accounting policies (if any) nor any exceptional one-off items over the years.

(2) Net dividend yield for each selected alternative equity investment is based on the net dividend per share divided by the closing market price for each share on the Latest Practicable Date (or where there was no trading on such date, the last available closing market price prior thereto). The aforementioned net dividend yield computed may differ from the actual dividend yield which will vary depending on the actual cost of investment paid by the individual investor

(3) Subject to shareholders' approval at the respective annual general meeting.

(4) Not meaningful.

(5) Excluding Asia Enterprises and Sing Holdings which are deemed as outliers.

We note that the Company's net dividend payout ratio is more favourable than the simple average pf the Selected Comparable Companies (excluding Asia Enterprises and Sing Holdings which are deemed as outliers). However, the Company's dividend yield in respect of its most recent financial year, FY2017, as implied by the Offer Price is lower than the average dividend yield of the Selected Comparable Companies and STI ETF. The above analysis suggests that a Shareholder who accepts the Offer may potentially experience an increase in investment income if he re-invests the proceeds in the STI ETF or certain Selected Comparable Companies, namely Annaik, Asia Enterprises, Boustead, Keong Hong or Sing Holdings. This is on the assumption that STI ETF and certain Selected Comparable Companies maintain their respective net dividend per share at the same level as that in their last financial year.

We wish to highlight that the above dividend analysis serves only as an illustrative guide and is not an indication of the future dividend policy for the Company or the Selected Comparable Companies or the STI ETF. Furthermore, an investment in the equity of the Selected Comparable Companies or the STI ETF also presents different risk-return profiles as compared to an investment in the Shares. Moreover, there is no assurance that the Company or any of the above selected alternative equity investments will continue to pay or not to pay any dividends in the future and/or maintain the level of dividends paid in past periods.

9.3 Offer is conditional

We note from section 2.6 of the Offer Document that the Offer is subject to the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with Shares owned, acquired or agreed to be acquired by the Offeror and any person acting in concert with it before or during the Offer, will result in the Offeror and any person acting in concert with it holding such number of Shares carrying more than 90% of the voting rights attributable to all the Shares in issue (excluding treasury Shares) as at the close of the Offer (the "**Acceptance Condition**"). Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of such number of Offer Shares which will result in the Offeror meeting the Acceptance Condition.

As announced on 28 February 2018 (which is subsequent to the Latest Practicable Date), the total number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties amount to an aggregate of 77,748,000 Shares, representing approximately 49.69% of the total number of Shares, which is still below the Acceptance Condition.

We further note from section 2.6 of the Offer Document that the Offeror reserves the right to reduce the Acceptance Condition to a lower level which is more than 50% of the total number of Shares. In the event that the Acceptance Condition is revised, the revised Offer will remain open for another 14 days following such revision and Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptance within eight days of the notification of such revision.

9.4 No revision of the Offer Price

We note from section 2.2 of the Offer Document that the Offer Price is final and the Offeror does not intend to revise the Offer Price, save that the Offeror reserves the right to revise the terms of the Offer in accordance with the Code if competitive situation arises. It is also noted from section 2.5 of the Offer Document that If any Distribution is announced, declared, paid or made by the Company in respect of the Offer Shares on or after the Offer Announcement Date to an accepting Shareholder and the settlement date in respect of the Offer Shares accepted pursuant to the Offer falls after the books closure date for the determination of entitlements to such Distribution, the Offeror reserves the right to reduce the Offer Price payable to such accepting Shareholder by the amount of such Distribution.

9.5 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 Offer Announcement Date, the Offeror held 75,944,000 Shares, constituting approximately 48.54% of the total number of Share of the Company and subsequent to the Offer Announcement Date and the Latest Practicable Date, the Offeror announced on 28 February 2018 that the Offeror and its Concert Parties held an aggregate 77,748,000 Shares representing 49.69% of the total number of Share of the Company. Under such circumstances, any competing offer for Shares is unlikely to be forthcoming without the support of the Offeror in view of its close to majority control as represented by the percentage of the total number of Shares that the Offeror holds. Thus, the possibility of an alternative offer from parties other than the Offeror will be significantly reduced.

9.6 Statutory control over the Company

As announced on 28 February 2018 (which is subsequent to the Latest Practicable Date), the total number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties amount to an aggregate of 77,748,000 Shares, representing approximately 49.69% of the total number of Shares. The Offeror and its Concert Parties will only require additional 478,500 Shares in order to gain statutory control over 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 resolutions on matters in which the Offeror and its Concert Parties do not have an interest, at general meetings of Shareholders.

9.7 Compulsory acquisition and listing status

Compulsory acquisition

We note from section 12 of the Offer Document that Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer or acquires the Offer Shares during the offer period otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the Despatch Date), the Offeror will be entitled to exercise the right to compulsorily acquire all the Offer Shares of the Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") on the same terms as those offered under the Offer.

In the event that the Offeror becomes entitled to compulsorily acquire all the Offer Shares of the Dissenting Shareholders, the Offeror intends to exercise such rights. In such event, the Company will become a wholly-owned subsidiary of the Offeror and the Offeror will then proceed to delist the Company from the SGX-ST.

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 Shares, the Dissenting Shareholders have a right to require the Offeror to acquire their Shares at the Offer Price. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

Listing status

We note from section 13 of the Offer Document that under Rule 723 of the Listing Manual, the Company must ensure that at least 10% of the total number of the Shares (excluding treasury shares) is at all times held by the public (the "**Free Float Requirement**").

Under Rule 1105 of the Listing Manual, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90% of the Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10% of the Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public.

In addition, under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not complied with, 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 states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the proportion of the Shares held by members of the public to be raised to at least 10%, failing which the Company may be delisted from the SGX-ST.

In the event the Offeror is unable to exercise the right to compulsorily acquire all the Shares not acquired under the Offer as set out in section 12 (Compulsory Acquisition) of the Offer Document and the Company does not meet the Free Float Requirement under Rule 723 of the Listing Manual, the Offeror and parties acting in concert with the Offeror do not intend to support any action taken or to be taken to meet the Free Float Requirement or maintain the present listing status of the Company.

Accordingly, the Offeror and parties acting in concert with the Offeror do not intend to place out any Shares held by the Offeror and parties acting in concert with the Offeror to members of the public to meet the Free Float Requirement. If the Company does not meet the requirements under Rule 723 of the Listing Manual, the SGX-ST may suspend trading of the Shares on the SGX-ST following the close of the Offer.

In addition, the Offeror intends to, and hereby reserves its right, to take steps at an appropriate time, whether during or after the Offer, to seek a voluntary delisting of the Company from the SGX-ST, where permitted by, and in accordance with, the relevant requirements of the Listing Manual and the Code.

9.8 Offeror's intention for the Company

We note from Section 13.2 of the Offer Document in the event the Offeror is unable to exercise the right to compulsorily acquire all the Shares not acquired under the Offer as set out in section 12 (Compulsory Acquisition) of the Offer Document and the Company does not meet the Free Float Requirement under Rule 723 of the Listing Manual, the Offeror and parties acting in concert with the Offeror do not intend to support any action taken or to be taken to meet the Free Float Requirement or maintain the present listing status of the Company.

Accordingly, the Offeror and parties acting in concert with the Offeror do not intend to place out any Shares held by the Offeror and parties acting in concert with the Offeror to members of the public to meet the Free Float Requirement. If the Company does not meet the requirements under Rule 723 of the Listing Manual, the SGX-ST may suspend trading of the Shares on the SGX-ST following the close of the Offer.

In addition, the Offeror intends to, and hereby reserves its right, to take steps at an appropriate time, whether during or after the Offer, to seek a voluntary delisting of the Company from the SGX-ST, where permitted by, and in accordance with, the relevant requirements of the Listing Manual and the Code.

As set out in section 11 of the Offer Document, it is the current intention of the Offeror for the Company to continue its existing business activities and there are currently no plans to (i) introduce any major changes to the business of the Company or the operations of any of its subsidiaries; (ii) re-deploy any of the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the Company or its subsidiaries, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities in

relation to the Company which may present themselves and which the Offeror may regard to be in the best interests of the Company.

9.9 Material Litigation

We note from the Circular that as at the Latest Practicable Date, the Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the LTC Group, taken as a whole.

10. 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. Save for the Valuation Certificates in connection with the market value of the Appraised Properties, we have not been furnished with the valuation for the remaining property, plant and equipment and assets (including, *inter alia,* 2 completed properties held for sale, properties under development and long term investments) and have relied on the Director's confirmation that as at the Latest Practicable Date, on an aggregate basis, there are no material differences between the estimated market value of the remaining property, plant and equipment or assets (including, *inter alia,* 2 completed properties held for sale, properties under development and long term investments) for which no valuation was obtained and their respective book values. Accordingly our views, recommendation and opinion are necessarily limited and subject to these matters as well as others may have been elaborated elsewhere in the letter.

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 Offeror and the listing status as set out in sections 10, 11 and 13 of the Offer Document.

(b) The historical financial performance and position of the LTC Group as set out in section 8.1 of this Letter. The LTC Group has been profitable during the period reviewed with net profit attributable to shareholders of approximately S$10.0 million, S$6.9 million, S$8.5 million and S$1.7 million in FY2015, FY2016, FY2017 and HY2018 respectively. Whilst the shareholders' equity has increased from approximately S$248.7 million as at 30 June 2015 to approximately S$257.4 million as at 31 December 2017, the financial position of the LTC Group had weakened with its gearing ratio increasing from approximately 0.08 times as at 30 June 2016 to approximately 0.10 times and 0.12 times as at 30 June 2017 and 31 December 2017 respectively and its net working capital position had declined from approximately S$116.2 million as 30 June 2015 to approximately S$100.3 million as at 30 June 2017 and approximately S$93.2 million as at 31 December 2017 (whilst remaining positive). Likewise, the net cash flow from operations for the LTC Group were positive during the period reviewed, but it has declined from approximately S$26.9 million in FY2015 to approximately S$17.6 million in FY2017 and from approximately S$16.8 million in HY2017 to approximately S$7.8 million in HY2018.

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

(c) The historical financial performance and position of the LTC Group *vis a vis* the Selected Comparable Companies - Notwithstanding the LTC Group's relatively better financial position (in terms of the ratios for total liabilities to shareholders' equity and total borrowings to shareholders' equity) as compared to the Selected Comparable Companies, the LTC Group's financial performance (in terms of LTM ROE and LTM net profit margin) appears to be weaker than the simple average and median but still within the range for the Selected Comparable Companies.

(d) The Offer Price (as set out in Section 8 of this Letter) after taking into account, *inter alia,* the following factors:-

(i) The Offer Price represents a discount of approximately 43.8% from the LTC Group's NAV per Share and/or NTA per Share respectively as at 31 December 2017.

(ii) The Offer Price represents a discount of approximately 44.1% from the LTC Group's RNAV and/or RNTA per Share.

(iii) The Offer Price represents a premium of approximately 44.5% over the last transacted price of S$0.64 per Share for the Shares on the SGX-ST on 8 February 2018, being the Last Trading Day immediately preceding the Offer Announcement Date.

(iv) The Offer Price represents a premium of approximately 48.6%, 43.4%, 44.3% and 45.4% over the VWCP for the Shares for the 12-month, 6-month, 3 month and 1 month period prior to the Last Trading Day immediately preceding the Offer Announcement Date respectively.

(v) The Offer Price represents a premium of approximately 1.0% over the VWCP for the Shares for the period commencing on the Market Day immediately after the Offer Announcement Date (and after lifting of the trading halt) and ending on the Latest Practicable Date.

(vi) The Offer Price represents a premium of approximately 0.5% over the last transacted price of S$0.92 per Share on the SGX-ST on 26 February 2018, being the Latest Practicable Date.

(vii) As set out in section 14.2 of the Offer Document, the Offer Price exceeds the highest closing price for the Shares since year 2000 and including the Last Trading Day.

(viii) Comparison with the valuation of the Selected Comparable Companies - the valuation of the LTC Group (as implied by the Offer Price) appears to be fairly comparable (in terms of P/NAV and P/NTA ratios) or more favourable (in terms of LTM EV/EBITDA and LTM PER) than the Selected Comparable Companies (excluding the outliers). Such comparison should be reviewed in conjunction with the following: (a) notwithstanding the LTC Group's relatively better financial position (in terms of the ratios for total liabilities to shareholders' equity and total borrowings to shareholders' equity), the LTC Group's financial performance (in terms of LTM ROE and LTM net profit margin) appears to be weaker than the simple average and median but still within the range for the Selected Comparable Companies; (b) the trading statistics for the shares of the Selected Comparable Companies are based on transactions which do not result in acquisition of control whilst for the Offer, the Offeror's intention is to delist and privatise the Company; and (c) the discount implied by the Offer Price from the LTC Group's NAV per Share of approximately 43.8% should be assessed in conjunction with the fact that for the 12 months period prior to the Last Trading Day, the closing prices for the Shares were on average at a discount of 61.5% from the LTC Group's NAV per Share (please refer to section 8.4 of this Letter)

(ix) Fair or favourable comparison with the Selected Successful Privatisations - in terms of premiums over historical prices for the Shares appears to be within the range and more favourable as compared to the simple average and median for the Selected Successful Privatisations. In addition, the valuation of the LTC Group as implied by the Offer Price in terms of the P/NAV ratio appears to be within the range but lower than the simple average and median for the Selected Successful Privatisations. When considered in the context of the shareholding of the Offeror and its Concert Parties (including the Undertaking Shareholders) as set out in the Offer Announcement, which is lower than both the median and simple average but still within the range for the percentage of shareholding interest for each of the offeror and parties acting in concert as at the start for the Selected Successful Privatisations, the valuation of the LTC Group as implied by the Offer Price in terms of both premiums over historical prices for the Shares and P/NAV ratio, appears to be fairly comparable to the Selected Successful Privatisations.

(x) Fair comparison with the Selected Successful Delistings - the valuation of the LTC Group as implied by the Offer Price in terms of premiums over historical prices for the Shares appears to be within the range and more favourable as compared to the median for the Selected Successful Delistings (but lower than the simple average) or more favourable than the simple average and median for the Selected Successful Delistings (excluding Junma). In addition, the valuation of the LTC Group as implied by the Offer Price in terms of the P/NAV ratio appears to be within the range but lower than the simple average and median for the Selected Successful Delistings. When considered in the context of the shareholding of the Offeror and its Concert Parties (including the Undertaking Shareholders) as set out in the Offer Announcement, which is within the range, lower than the simple average and median for the Selected Successful Delistings, the valuation of the LTC Group as implied by the Offer Price in terms of both premiums over historical prices for the Shares and P/NAV ratio, appears to be fairly comparable or more favourable than the Selected Successful Delistings.

(e) As announced on 28 February 2018 (which is subsequent to the Latest Practicable Date), the total number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties amount to an aggregate of 77,748,000 Shares, representing approximately 49.69% of the total number of Shares. The Offeror and its Concert Parties will only require additional 478,500 Shares in order to gain statutory control over 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 resolutions on matters in which the Offeror and its Concert Parties do not have an interest, at general meetings of Shareholders.

(f) Our analysis as set out in section 9.2 of this Letter suggests that the Company's net dividend payout ratio is more favourable than the simple average pf the Selected Comparable Companies (excluding Asia Enterprises and Sing Holdings which are deemed as outliers). However, the Company's dividend yield in respect of its most recent financial year, FY2017, as implied by the Offer Price is lower than the average dividend yield of the Selected Comparable Companies and STI ETF. The above analysis suggests that a Shareholder who accepts the Offer may potentially experience an increase in investment income if he re-invests the proceeds in the STI ETF or certain Selected Comparable Companies, namely Annaik, Asia Enterprises, Boustead, Keong Hong or Sing Holdings. This is on the assumption that STI ETF and certain Selected Comparable Companies maintain their respective net dividend per share at the same level as that in their last financial year.

(g) As at the Latest Practicable Date, the Offer is conditional upon the Acceptance Condition being the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with Shares owned, acquired or agreed to be acquired by the Offeror and any person acting in concert with it before or during the Offer, will result in the Offeror and any person acting in concert with it holding such number of Shares carrying more than 90% of the voting rights

attributable to all the Shares in issue (excluding treasury Shares) as at the close of the Offer. As announced on 28 February 2018 (which is subsequent to the Latest Practicable Date), the total number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties amount to an aggregate of 77,748,000 Shares, representing approximately 49.69% of the total number of Shares, which is still below the Acceptance Condition. Shareholders should note that the Offeror reserves the right to reduce the Acceptance Condition to a lower level which is more than 50% of total number of issued Shares as at the close of the Offer. The Offeror does not intend to preserve the listing status of the Company.

(h) As set out in the Offer Document, the Offer Price is final and the Offeror does not intend to increase the Offer Price.

(i) The Directors' confirmation 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.

(j) Other considerations are set out in section 9 or other such sections of 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, we are of the opinion that, in the absence of an alternative offer, the financial terms of the Offer is, on balance, **FAIR** and **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 **FAIR,** from a financial point of view after factoring, *inter alia*, the following as well as others elaborated in this Letter and opinion:-

(i) Substantial premiums implied by the Offer Price over the historical prices for the Shares prior to the Offer Announcement Date considering, *inter alia,* (a) the implied premium of approximately 44.5% over the last transacted price prior to the Offer Announcement Date; and (b) the implied premiums of approximately 48.6%, 43.4%, 44.3% and 45.4% over the VWCP for the Shares for the 12-month, 6-month, 3 month and 1 month period prior to the Last Trading Day immediately preceding the Offer Announcement Date. The implied premiums over the historical prices for the Shares are higher or more favourable than the simple average and median for the Selected Successful Privatisations and higher or more favourable than the simple average and median for the Selected Successful Delistings (excluding Junma).

(ii) As set out in section 14.2 of the Offer Document, the Offer Price exceeds the highest closing price for the Shares since 2000 and up to and including the Last Trading Day.

(iii) Fair comparison with the valuation of the Selected Comparable Companies after considering - the valuation of the LTC Group (as implied by the Offer Price) in terms of LTM EV/EBITDA and LTM PER is within the range, higher than the median and in line with the simple average for the Selected Comparable Companies (excluding the outliers). In addition, whilst the valuation of the LTC Group in terms of P/NAV and P/NTA ratios (as implied by the Offer Price and the LTC Group's RNAV and RNTA per Share) appears to be slightly lower than the simple average and median, it is within the range for the Selected Comparable Companies. Such comparison should be reviewed in conjunction with the following: (a) notwithstanding the LTC Group's relatively better financial position (in terms ratio of total liabilities to shareholders' equity and total borrowings to shareholders' equity), the LTC Group's financial performance (in terms of LTM ROE and LTM net profit margin) appears to be weaker than simple average and median but still within the range for the Selected Comparable Companies (save for Annaik, HG Metal and Sin Ghee Huat which were loss-making); (b) the trading statistics for the shares of the Selected Comparable Companies are based on transactions which do not result in acquisition of control whilst for the Offer, the Offeror's intention is to delist and privatise the Company; and (c) the discount implied by the Offer Price from the LTC Group's NAV per Share of approximately 43.8% should be assessed in conjunction with the fact that for the 12 months period prior to the Last Trading Day, the closing prices for the Shares were on average at a discount of 61.5% from the LTC Group's NAV per Share.

(iv) Favourable or fair comparison of the Offer against the Selected Successful Privatisations and the Selected Successful Delistings in the context of the implied premiums of the Offer Price over historical prices for the Shares (which appears to be within the range and more favourable as compared to the simple average and median for the Selected Successful Privatisations and within the range and more favourable as compared to the simple average and median for the Selected Successful Delistings (excluding Junma). The implied P/NAV ratio for the LTC Group is lower than the simple average and median, but still within the range for the Selected Successful Privatisations and the Selected Successful Delistings.

We consider the financial terms of the Offer to be, on balance, **REASONABLE**, from a financial point of view after factoring, *inter alia*, the following:-

(i) As announced on 28 February 2018 (which is subsequent to the Latest Practicable Date), the total number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties amount to an aggregate of 77,748,000 Shares, representing approximately 49.69% of the total number of Shares. The Offeror and its Concert Parties will only require additional 478,500 Shares in order to gain statutory control over 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 resolutions on matters in which the Offeror and its Concert Parties do not have an interest, at general meetings of Shareholders.

(ii) The favourable premiums (as elaborated in this Letter and opinion) implied by the Offer Price over the historical prices for the Shares prior to the Offer Announcement Date.

(iii) The Director's confirmation 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.

(iv) While the transacted prices for the Shares subsequent to the Offer Announcement Date may have been underpinned by the Offer and the trading for the Shares on a daily basis may have (in general) increased subsequent to the Offer Announcement Date and till the Latest Practicable Date (as compared to the 1-year period prior to the Offer Announcement Date), there is no assurance that the trading activities for the Shares will be maintained at such levels or that the transacted prices for the Shares will be maintained after the Closing of the Offer. In particular, there is no assurance that interest in the Shares will be maintained after the Offer as

the possibility of an alternative offer from parties other than the Offeror is low in view of the Offeror and its Concert Parties' close to majority control as represented by the percentage of the total number of Shares that they hold.

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 **ACCEPT** the Offer, despite the fact that the Offer Price may not be as compelling as compared to the Selected Comparable Companies in terms of the simple average and median for P/NAV and/or P/NTA ratio, the Offer represent a realistic opportunity for Shareholders to realise their entire investment in cash taking into account, *inter alia*, the low liquidity for the Shares (in terms of daily average trading volume) prior to the Offer Announcement Date and that the Offer Price exceeds the highest closing price for the Shares in the past three-year period and up to and including the Last Trading Day.

While the transacted prices for the Shares subsequent to the Offer Announcement Date may have been underpinned by the Offer and the trading for the Shares on a daily basis may have (in general) increased after the Offer Announcement Date to the Latest Practicable Date (as compared to the 1-year period prior to the Offer Announcement Date), there is no assurance that the trading activities for the Shares will be maintained at such levels or that the transacted prices for the Shares will be maintained after the Closing of the Offer. In particular, there is no assurance that interest in the Shares will be maintained after the Offer as the possibility of an alternative offer from parties other than the Offeror is low.

In the event that Shareholders are concerned about the liquidity and the prices at which they can realise their investments in the Offer Shares (including whether they can realize their investments at prices higher than the Offer Price after deducting related expenses), acceptance of the Offer will provide certainty of exit at the Offer Price. However, in the event that Shareholders are able to dispose the Offer Shares in the open market and realise their investments at prices higher than the Offer Price after deducting related expenses, they should consider selling the Offer Shares in the open market. It should be noted that for the period commencing on the Market Day immediately after the Offer Announcement Date to the Latest Practicable Date, the transacted prices for the Shares have always been lower than the Offer Price and the Offer Price represents a small premium of approximately 0.5% over the last transacted price of S$0.92 per Share on the SGX-ST on 26 February 2018, being the Latest Practicable Date.

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. It should be noted that for the period commencing on the Market Day immediately after Offer Announcement Date to the Latest Practicable Date, the transacted prices for the Shares have always been lower than the Offer Price and the Offer Price represents a small premium of approximately 0.5% over the last transacted price of S$0.92 per Share on the SGX-ST on 26 February 2018, being the Latest Practicable Date.

2. The Offeror has stated in the Offer Document that it will not revise the Offer Price of S$0.925 per Share.

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 28 February 2018, the total number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties amount to an aggregate of 77,748,000 Shares, representing approximately 49.69% of the total number of Shares.

4. The Offeror is making the Offer with a view to delist and privatise the Company from the SGX-ST and if entitled to under the Companies Act, the Offeror intends to compulsorily acquire all the Offer Shares.

   In the event the Company does not meet the Free Float Requirement, the Offeror does not intend to preserve the listing status of the Company and does not intend to take any steps for any trading suspension in the securities of the Company to be lifted.

   In the event that the trading of Shares on the SGX- ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror does not intend to preserve the listing status of the Company and has no intention of undertaking or supporting any action for any such trading suspension by the SGX-ST to be lifted.

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

6. Our scope does not require us and we have not made any independent evaluation of the LTC Group (including without limitation, market value or economic potential) or appraisal of the LTC Group's assets and liabilities (including without limitation, property, plant and equipment and assets held for sale) or contracts entered into by the Company or the LTC Group and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into by the LTC Group save for the Valuation Certificates issued by the Independent Valuers in respect of the market value of the Appraised Properties as at the Valuation Date. With respect to such valuation, we are not experts in the evaluation or appraisal of assets and liabilities (including without limitation, property, plant and equipment and assets held for sale) including, *inter alia*, the contracts that the LTC Group has embarked upon or are about to embark upon and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.

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 groups 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.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

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

Shareholders who do not wish to accept the Offer need not take further action in respect of the Offer Document which has 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 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

ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

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

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

2. DESCRIPTION OF THE COMPANY

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

The LTC Group is engaged in steel trading businesses, property development, property rental and retail operations in Singapore, Malaysia and China.

3. SHARE CAPITAL

3.1 Issued Share Capital

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

3.2 Capital, Dividends and Voting Rights

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

The Constitution is available for inspection at the registered address of the Company at 10 Arumugam Road #10-00, LTC Building A, Singapore 409957. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

3.3 Number of Shares Issued since the End of the Last Financial Year

As at the Latest Practicable Date, the Company has not issued any new Shares since the end of FY2017, being the last financial year of the Company.

3.4 Options and Convertible Instruments

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

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

4. DISCLOSURE OF INTERESTS

4.1 Interests of the Company in Offeror Securities

As at the Latest Practicable Date, the Company does not have any direct or deemed interests in any Offeror Securities.

4.2 Dealings in Offeror Securities by the Company

The Company has not dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.3 Interests of the Directors in Offeror Securities

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

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%[(1)]**	**No. of Shares**	**%[(1)]**
Mr Cheng Yong Liang	1	25%	–	–

Notes:

(1) Based on the total number of issued shares of the Offeror being four (4) issued Offeror Shares (based on the results of the instant information search of the Offeror dated the Latest Practicable Date conducted with the Accounting and Corporate Regulatory Authority of Singapore).

4.4 Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.5 Interests of the Directors in Company Securities

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

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%[(1)(2)]**	**No. of Shares**	**%[(1)(2)]**
Mr Cheng Theng Kee	300,000	0.19%	34,000[(3)]	0.02%
Mr Cheng Yong Liang	150,000	0.10%	–	–

Notes:

(1) Based on the total number of issued shares of the Company being 156,453,000 issued Shares as at the Latest Practicable Date.

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

(3) Mr Cheng Theng Kee is deemed interested in 34,000 Shares held by his spouse, Ms Chen Shok Ching.

4.6 Dealings in Company Securities by the Directors

None of the Directors has dealt for value in any Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.7 Company Securities owned or controlled by the IFA

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

4.8 Dealings in Company Securities by the IFA

None of the IFA, its related corporations or any funds whose investments are managed by the IFA on a discretionary basis has dealt for value in the Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.9 Intentions of the Directors in respect of their Shares

As at the Latest Practicable Date, the Directors who hold Shares have indicated their intention to accept or reject the Offer in respect of their Shares as follows:

(a) Mr Cheng Theng Kee has provided an Irrevocable Undertaking in favour of the Offeror, details of which are set out in section 7 of the Circular and will tender all the Shares held by him in acceptance of the Offer. Mr Cheng Theng Kee is also deemed interested in the Shares held by Ms Chen Shok Ching (being his spouse) and Ms Chen Shok Ching has also provided an Irrevocable Undertaking in favour of the Offeror, details of which are set out in section 7 of the Circular and will tender all the Shares held by her in acceptance of the Offer; and

(b) Mr Cheng Yong Liang has provided an Irrevocable Undertaking in favour of the Offeror, details of which are set out in section 7 of the Circular and will tender all the Shares held by him in acceptance of the Offer.

5. OTHER DISCLOSURES

5.1 Directors' Service Contracts

As at the Latest Practicable Date:

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

(b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.2 Arrangements affecting Directors

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

(b) As at the Latest Practicable Date, save for (i) the Irrevocable Undertakings, (ii) the consortium agreement among the Consortium Members to undertake the Offer through the Offeror and (iii) the share charge dated 7 February 2018 made by the Controlling Shareholders in favour of OCBC Bank in connection with the Offeror's financing arrangements for the Offer as disclosed in paragraph 3 of Appendix 5 to the Offer Document:

(A) 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

(B) none of the Directors has a 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 any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Offer Announcement Date and ending on the Latest Practicable Date.

7. MATERIAL LITIGATION

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

8. FINANCIAL INFORMATION

8.1 Consolidated Profit and Loss Statements

Certain financial information extracted from the audited consolidated profit and loss statements of the LTC Group for the last three (3) financial years (FY2017, FY2016 and FY2015) and the 2Q FY2018 Results are summarised below. The summary set out below should be read together with the annual reports, the audited consolidated profit and loss statements of the LTC Group for the relevant financial periods, the 2Q FY2018 Results and their respective accompanying notes.

	2Q FY2018 S$'000	**FY2017 S$'000**	**FY2016 S$'000**	**FY2015 S$'000**
Turnover	64,155	134,106	129,601	168,457
Net profit before tax	4,250	13,047	7,609	13,520
Net profit after tax	3,264	10,825	5,206	11,113
Exceptional items	–	–	–	–
Non-controlling interest	1,535	2,355	(1,723)	1,067
Net profit	1,729	8,470	6,929	10,046
Earnings per Share (cents)	1.11	5.41	4.43	6.42
Dividends per Share (cents)	–	1.00	1.00	1.00

8.2 Consolidated Statements of Financial Position

The audited consolidated statement of financial position of the LTC Group as at 30 June 2017 and the unaudited consolidated statement of financial position of the LTC Group as at 31 December 2017 are summarised below. The summary set out below should be read together with the annual report of the LTC Group for FY2017, the 2Q FY2018 Results and their respective accompanying notes.

	Unaudited as at 31 December 2017	**Audited FY2017**
	S$'000	**S$'000**
Investment properties	118,048	118,000
Property, plant & equipment	26,001	27,300
Joint venture company	33,534	22,237
Associated company	7,049	7,162
Properties under development	14,907	14,128
Completed properties	13,549	13,279
Inventories	49,312	50,225
Trade debtors	23,997	19,482
Fixed deposits, cash and bank balances	44,818	48,854
Other assets	7,585	8,478
Trade creditors	(33,124)	(28,480)
Other liabilities	(11,676)	(11,061)
Net assets	**294,000**	**289,604**
Share capital	150,113	150,113
Reserves	(25,207)	(27,899)
Accumulated profits	132,481	132,317
Shareholders' funds	257,387	254,531
Non-controlling interests	36,613	35,073
Total equity	**294,000**	**289,604**

8.3 Significant Accounting Policies

A summary of the significant accounting policies of the LTC Group is set out in note 2 to the audited consolidated financial statements of the LTC Group for FY2017. Copies of the above are available for inspection at the registered address of the Company at 10 Arumugam Road #10-00, LTC Building A, Singapore 409957 during normal business hours for the period during which the Offer remains open for acceptance.

Save as disclosed above and in publicly available information on the LTC Group (including but not limited to that contained in the audited consolidated financial statements of the LTC Group for FY2017 and section 4 of the 2Q FY2018 Results), there are no significant accounting policies or any matter from the notes of the financial statements of the LTC Group which are of any major relevance for the interpretation of the financial statements of the LTC Group.

8.4 Changes in Accounting Policies

Save as disclosed in publicly available information on the LTC Group (including but not limited to that contained in the audited consolidated financial statements of the LTC Group for FY2017 and sections 4 and 5 of the 2Q FY2018 Results), as at the Latest Practicable Date, there is no change in the accounting policy of the LTC Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

Copies of the annual report of the Company for FY2017 and the 2Q FY2018 Results are available on the SGX-ST website at www.sgx.com or for inspection at the registered address of the Company at 10 Arumugam Road #10-00, LTC Building A, Singapore 409957 during normal office hours for the period during which the Offer remains open for acceptance.

8.5 Material Change in Financial Position

Save as disclosed in publicly available information on the LTC Group (including but not limited to that contained in the 2Q FY2018 Results), as at the Latest Practicable Date, there has been no known material change in the financial position of the LTC Group since 30 June 2017, being the date of the Company's last published audited consolidated financial statements.

8.6 Material Change in Information

Save as disclosed in this Circular and save for the information relating to the LTC Group and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

8.7 Valuation of the Subject Properties

The Company has commissioned independent valuations of the Subject Properties. Extracts of the Valuation Reports are set out in Appendix III to this Circular and the Valuation Reports (which include the basis of the valuations) are available for inspection at the registered address of the Company at 10 Arumugam Road #10-00, LTC Building A, Singapore 409957. Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of valuation. Based on the Valuation Reports, the potential tax liabilities that may be incurred by the Company on the hypothetical disposal of the Subject Properties on an "as is" basis is approximately S$486,000.

The aforesaid tax liabilities will not crystallise if the Company does not dispose of its interests in the Subject Properties. As at the Latest Practicable Date, the Company has no current plans to dispose of its interests in the Subject Properties, and accordingly, the aforesaid tax liabilities are not likely to crystallise.

9. GENERAL

9.1 Costs and Expenses

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

9.2 Consent of the IFA

The IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, its advice to the Independent Directors set out in section 11.3 of this Circular, the IFA Letter set out in Appendix I to this Circular and all references thereto, in the form and context in which they appear in this Circular.

9.3 Consent of the Valuers

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

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered address of the Company at 10 Arumugam Road #10-00, LTC Building A, Singapore 409957 during normal business hours for the period during which the Offer remains open for acceptance:

(a) the Constitution;

(b) the annual reports of the Company for FY2015, FY2016 and FY2017;

(c) the 2Q FY2018 Results;

(d) the IFA Letter;

(e) the Valuation Reports; and

(f) the letters of consent referred to in sections 9.2 and 9.3 of Appendix II to this Circular.

EXTRACTS OF VALUATION REPORTS

Valuation certificate

Property	:	10, 12, 14 & 16 Arumugam Road "LTC Buildings A, B, C & D" Singapore 409957/58/59/61
Client	:	Teck Chiang Realty Private Limited.
Purpose	:	Voluntary General Offer
Legal description	:	Lot Nos. : 99805T, 99807K, 99808N, 99809X, 99810K, 99820V, 3167T, 3169K, 3171A, 3173N, 3176C & 3177M Mukim : 23
Tenure	:	Estate in Fee Simple (Grant Nos. 61 and 66)
Basis of valuation	:	Market Value on an "As Is" basis, subject to existing tenancies and occupational arrangements.
Registered owner	:	Teck Chiang Realty Private Limited
Master plan 2014	:	"Business 1" with a gross plot ratio of 2.5
Brief description	:	The Property is located on the southern side of Arumugam Road, off Paya Lebar Road, and approximately 7.0 km from the City Centre. It is located next to the MacPherson MRT station. The Property comprises four flatted factory buildings namely LTC Building A (10-storey), LTC Building B (6-storey), LTC Building C (8-storey) and LTC Building D (7-storey). Open car park and lorry lots are provided within the compound. The Temporary Occupation Permits for LTC Buildings A, B, C & D were issued on 26 November 1992, 19 October 1978, 16 March 1983 and 26 January 1977 respectively.
Land area	:	12,234.8 sm
Gross floor area	:	33,228.7 sm approximately
Net lettable area	:	25,062.3 sm approximately
Tenancy profile	:	The Property is currently multi-tenanted. The leases for the tenants are generally for a period of 1 to 3 years.
Valuation approaches	:	Capitalisation Approach and Comparable Sales Method.
Valuation date	:	2 March 2018
Market Value	:	**S$118,000,000** **(Singapore Dollars One Hundred And Eighteen Million Only)** This valuation is exclusive of GST.
Assumptions, disclaimers, limitations & qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*
Prepared by	:	Knight Frank Pte Ltd

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B.Sc.(Estate Management) Hons.,FSISV
Deputy Group Managing Director
Head, Valuations
Appraiser's Licence No. AD 041-2003752I
For and on behalf of Knight Frank Pte Ltd

Png Poh Soon
MSc.,B.Sc.(Real Estate) Hons.,MSISV
Director
Valuations
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For and on behalf of Knight Frank Pte Ltd

KF Ref: 547/V/114/18/YPL
Date of issue: 2 March 2018

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KnightFrank.com.sg

Other Offices:
Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 491B River Valley Road #07-02 Valley Point Singapore 248373

Valuation certificate

Property	:	20 Woodlands Loop Singapore 738321
Client	:	Angkasa Amsteel Pte. Ltd.
Purpose	:	Voluntary General Offer
Legal description	:	Lot No. : 4720W Mukim : 13
Tenure	:	Leasehold 30 + 30 years with effect from 1 October 1994 (Balance lease term of about 36.6 years as at 2 March 2018)
Basis of valuation	:	Market Value on an "As Is" basis
Registered lessor/lessee	:	Currently leased by JTC Corporation to Angkasa Hong Leong Pte Ltd
Master plan 2014	:	"Business 2" with a gross plot ratio of 2.5
Brief description	:	The Property is bounded by Woodlands Loop and Woodlands Avenue 7, off Gambas Avenue/Woodlands Avenue 9 and some 25.0 km from the City Centre. It is a purpose-built single-storey detached factory with two mezzanine levels. The Property is currently amalgamated with 22 Woodlands Loop and used as a single premise. We understand that the Temporary Occupation Permit was issued on 8 November 1996.
Land area	:	11,198.80 sm
Gross floor area	:	7,158.54 sm approximately
Occupancy	:	The Property is currently occupied by the registered lessee.
Valuation approach	:	Comparable Sales Method
Valuation date	:	2 March 2018
Market Value	:	**S$13,500,000/-** **(Singapore Dollars Thirteen Million And Five Hundred Thousand Only)** This valuation is exclusive of GST.
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Head, Valuations
Appraiser's Licence No. AD 041-2003752I
For and on behalf of Knight Frank Pte Ltd

Png Poh Soon
MSc.,B.Sc.(Real Estate) Hons.,MSISV
Director
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For and on behalf of Knight Frank Pte Ltd

KF Ref: 565/V/126/18/LKL/ps
Date of issue: 2 March 2018

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
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Valuation certificate

Property	:	22 Woodlands Loop Singapore 738914
Client	:	Angkasa Amsteel Pte. Ltd.
Purpose	:	Voluntary General Offer
Legal description	:	Lot No. : 4723T Mukim : 13
Tenure	:	Leasehold 30 years with effect from 1 September 2002 (Balance lease term of about 14.5 years as at 2 March 2018)
Basis of valuation	:	Market Value on an "As Is" basis
Registered lessor/lessee	:	Currently leased by JTC Corporation to Angkasa Hong Leong Pte Ltd
Master plan 2014	:	"Business 2" with a gross plot ratio of 2.5
Brief description	:	The Property is bounded by Woodlands Loop and Woodlands Avenue 7, off Gambas Avenue/Woodlands Avenue 9 and some 25.0 km from the City Centre. It is a purpose-built single-storey detached factory with two mezzanine levels. The Property is currently amalgamated with 20 Woodlands Loop and used as a single premise. We understand that the Certificate of Statutory Completion was issued on 3 April 2004.
Land area	:	9,006.10 sm
Gross floor area	:	3,511.1 sm approximately
Occupancy	:	The Property is currently occupied by the registered lessee.
Valuation approach	:	Comparable Sales Method
Valuation date	:	2 March 2018
Market Value	:	**S$4,400,000/-** **(Singapore Dollars Four Million And Four Hundred Thousand Only)** This valuation is exclusive of GST.
Assumptions, disclaimers, limitations & qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*
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Valuation certificate

Property	:	37 Senoko Drive Singapore 758222
Client	:	Angkasa Amsteel Pte. Ltd.
Purpose	:	Voluntary General Offer
Legal description	:	Lot No. : 4898M Mukim : 13
Tenure	:	Leasehold 17 + 1 years with effect from 1 September 2002 For the purpose of this valuation, we have valued the Property assuming the 1-year lease extension has been or will be granted (i.e. based on a balance lease term of about 2.5 years as at 2 March 2018)
Basis of valuation	:	Market Value on an "As Is" basis
Registered lessor/lessee	:	Currently leased by JTC Corporation to Angkasa Amsteel Pte. Ltd.
Master plan 2014	:	"Business 2" with a gross plot ratio of 2.5
Brief description	:	The Property is located on the northern side of Senoko Drive, off Admiralty Road West, and approximately 25.0 km from the City Centre. It is a single-storey detached factory with a 2-storey office ancillary building linked by a sheltered walkway. The Property was completed in the early 2000s.
Land area	:	7,021.3 sm
Gross floor area	:	4,366.1 sm approximately
Occupancy	:	The Property is currently occupied by the registered lessee.
Valuation approach	:	Comparable Sales Method
Valuation date	:	2 March 2018
Market Value	:	**S$1,400,000** **(Singapore Dollars One Million And Four Hundred Thousand Only)** This valuation is exclusive of GST.
Assumptions, disclaimers, limitations & qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*
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For and on behalf of Knight Frank Pte Ltd

KF Ref: 567/V/128/18/YPL/ps
Date of issue: 2 March 2018

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Knight Frank Malaysia Sdn Bhd
Suite 3A.01, Level 3A, Bangunan Pelangi
Jalan Biru, Taman Pelangi
80400 Johor Bahru, Johor Darul Takzim
Tel: (+607) 3382 888 Fax: (+607) 3326 788

Your Reference No. : -

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

To:

Date: 2nd March 2018

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

Attention: The Board of Directors

Dear Sirs,

CERTIFICATE OF VALUATION

Purpose of Valuation:	To determine the **Market Value** of the subject property for the purpose of Voluntary Conditional Cash Offer for all the issued ordinary shares of LTC Corporation Limited.
Date of Valuation / Inspection:	2nd March 2018.
Property Type:	A parcel of commercial land erected upon with a hypermarket building.
Property Address:	Lot No. 100612, Jalan Impian Utama, Taman Impian Skudai, 81300 Skudai, Johor Darul Takzim.
Property Location:	The subject property is located along Jalan Impian Utama, the internal service roads within Taman Impian Skudai in Skudai, Johor Darul Takzim. Geographically, it is located about 17 kilometres by road due north-west of Johor Bahru city centre. It is accessible from Johor Bahru city centre via Jalan Tun Abdul Razak, Jalan Skudai and thereon continue onto Jalan Impian Utama leading to the subject property.

Title Land Area:	31,930.00 sq. metres *(about 343,692 sq. feet)*.
Registered Proprietor:	Che Kiang Realty Sdn Bhd
Legal Description:	Title No. GRN 210140, Lot No. 100612, Mukim of Tebrau, District of Johor Bahru, Johor Darul Takzim.
Tenure:	Interest in perpetuity.
Category of Land Use:	Building.
Express Conditions:	*i) "Tanah ini hendaklah digunakan sebagai bangunan tujuan komersial (hypermarket) mengikut pelan yang diluluskan oleh Pihak Berkuasa Tempatan yang berkenaan".* *ii) "Segala kekotoran dan pencemaran akibat daripada aktiviti ini hendaklah disalurkan / dibuang ke tempat-tempat yang telah ditentukan oleh Pihak Berkuasa Berkenaan".* *iii) "Segala dasar dan syarat yang ditetapkan dan dikuatkuasakan dari semasa ke semasa oleh Pihak Berkuasa Berkenaan hendaklah dipatuhi".*
Restriction In Interest:	*i) "Tuanpunya tanah tidak dibenarkan menewar atau menjualkan unit-unit (parcel) bangunan yang akan dibina di atas tanah ini melainkan bangunan telah mula dibina mengikut pelan yang diluluskan oleh Pihak Berkuasa Negeri".* *ii) "Petak-petak bangunan yang didirikan di atas tanah ini apabila sahaja bertukar miliknya kepada seorang Bumiputera/Syarikat Bumiputera maka tidak boleh terkemudian daripada itu dijual, dipajak atau dipindahmilik dengan apa cara sekalipun kepada orang bukan Bumiputera/Syarikat Bukan Bumiputera tanpa persetujuan Pihak Berkuasa Negeri".* *iii) "Petak-petak bangunan yang didirikan di atas tanah ini tidak boleh dijual atau dipindahmilik dengan apa cara sekalipun kepada bukan warganegara/syarikat asing tanpa persetujuan Pihak Berkuasa Negeri".*
Encumbrance:	Nil.
Brief Description:	<u>Site</u> The subject site is a commercial plot, which is near rectangular in shape with a surveyed land area of about 31,930.00 sq. metres *(about 343,692 sq. feet)*. The subject site faces north-west and enjoys three direct frontages of about 181.37 metres *(about 595 feet)*, 135.58 metres *(about 445 feet)* and 126.55 metres *(about 415 feet)* onto Jalan Impian Utama and two unnamed metalled roads respectively. The site is built upon with a hypermarket building.

Brief Description (cont'd):	**We have not conducted any boundary checks, however we had assumed that the dimensions correspond with those shown in the relevant plans. As our inspection was done specifically for the purpose of this Valuation, we advised that any parties interested in the subject property for any other reasons whatsoever conduct their own inspection to confirm the relevant site details and engage the services of a licensed Land Surveyor to determine the boundaries if so required.** <u>Building</u> The hypermarket building is constructed of reinforced concrete framework with brick infills cement rendered externally and plastered internally, with a concrete flat roof. We have carried out sample measurements *(where applicable)* of the existing building using the Uniform Method of Measurement of Buildings issued by the Royal Institution of Surveyors, Malaysia and adopted he approximate Gross Floor Area of the subject property as 29,551 sq. metres *(about 318,084 sq ft)*. The age of the building is about 13 years old. **We have not carried out a professional building survey or any testing of services, nor have we inspected those parts of the subject property which are inaccessible. We are unable to confirm whether the subject property is free from urgent or significant defects or items of disrepair.**
Occupancy Status:	The subject property is currently vacant.
Basis of Valuation:	The basis of valuation adopted is the **Market Value** which is defined as *"the estimated amount for which a property should exchange on the date of valuation between a willing seller and a willing buyer in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion*".
Valuation Methodology:	In arriving at our opinion of the **Market Value**, we have used the **Cost Approach**. This approach considers the possibility that, as a substitute for the purchase of a given property, one could construct another property that is either a replica of the original or one that could furnish equal utility. In a real estate context, one would normally not be justified in paying more for a given property than the cost of acquiring equivalent land and constructing an alternative structure, unless undue time, inconvenience, and risk are involved. In practice, the approach also involves an estimate of depreciation for older and/or less functional properties where an estimate of cost new unreasonably exceeds the likely price that would be paid for the appraised property.

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

Valuation Methodology (cont'd):	The land component is arrived at by the **Comparison Approach**. This approach analyses recent sales of similar type of industrial land and making the relevant adjustments for differences in factors that affect value. Listings and offers may also be considered.
Market Value:	**RM43,000,000/-** *(Ringgit Malaysia : Forty Three Million Only).*

This Valuation Certificate is prepared in accordance with the general principles adopted and limiting conditions as enclosed at the end of this certificate.

For all intents and purposes, this Valuation Certificate should be read in conjunction with our formal valuation report which will be submitted to you in due course.

Thank you.

For and on behalf of
KNIGHT FRANK MALAYSIA SDN BHD
(Johor Branch Office)

RICKY LEE KONG-WAH
Registered Valuer, V-0319
BLE, M.Sc, MRICS, MRISM
RL/cyh

EXTRACTS FROM THE COMPANY'S CONSTITUTION

The rights of Shareholders in respect of capital, dividends and voting are extracted from the Constitution of the Company and reproduced below:

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution of the Company, a copy of which is available for inspection at the registered address of the Company at 10 Arumugam Road #10-00, LTC Building A, Singapore 409957 during normal business hours for the period during which the Offer remains open for acceptance.

(a) Rights in respect of Capital

ISSUE OF SHARES

4. Subject to the Statutes, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 8, and to any special rights attached to any shares for the time being issued, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, provided always that:

(a) no Director shall participate in any issue of shares to employees unless the members in General Meeting have approved of the specific allotment to be made to such Director and unless he holds office in an executive capacity;

(b) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the members in a General Meeting;

(c) no shares shall be issued at a discount except in accordance with the Statutes; and

(d) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 8(A) with such adaptations as are necessary shall apply.

5. (A) In the event of preference shares being issued the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear.

(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

VARIATION OF RIGHTS

6. *(A) Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders or the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.*

   (B) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.

ALTERATION OF SHARE CAPITAL

7. *The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.*

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

   (B) Notwithstanding Article 8(A), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to issue shares (whether by way of rights, bonus or otherwise) where:

      (i) the aggregate number of shares to be issued pursuant to such authority does not exceed 50% (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited) of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited) of the issued share capital of the Company for the time being; and

(ii) unless previously revoked or varied by the Company in General Meeting, such authority to issue shares does not continue beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution or the date by which such Annual General Meeting is required to be held, or the expiration of such other period as may be prescribed by the statutes (whichever is earlier).

(C) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

9. The Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;

(c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares;

(d) subject to the provisions of the Statutes, convert any class of shares into any other class of shares.

10. The Company may reduce its share capital or any capital redemption reserve fund, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

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

SHARES

11. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (as the case may be) person whose name is entered in the Depository Register in respect of that share.

12. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed.

13. Subject to the provisions of these presents and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

14. The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted provided that the rate or amount of the commissions paid or agreed to be paid shall be disclosed in the manner required by the Statutes. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

15. Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within 10 market days of the closing date (or such other period as may be approved by any Stock Exchange upon which the shares in the Company may be listed) of any such application. "Market day" shall have the meaning ascribed to it in Article 18. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

STOCK

46. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.

47. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units (not being greater than the nominal amount of the shares from which the stock arose) as the Directors may from time to time determine.

48. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

(b) Rights in respect of Voting

GENERAL MEETINGS

49. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

50. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

51. Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the

day on which the meeting is to be held and shall be given in manner hereafter mentioned to all members other than such as are not under the provisions of these presents entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

(a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and

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

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

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

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

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

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

(a) declaring dividends;

(b) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;

(c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

(d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);

(e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and

(f) fixing the Directors' fees.

54. (A) Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

(B) Except so far as otherwise provided by these presents, "notices" shall include notices given by telefax, telex, cable or telegram by the Company.

PROCEEDINGS AT GENERAL MEETINGS

55. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.

56. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy.

57. If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the directors may by not less than ten days' notice appoint. At the adjourned meeting any one or more members present in person or by proxy shall be a quorum.

58. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

59. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

60. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

61. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

(a) the chairman of the meeting; or

(b) not less than two members present in person or by proxy and entitled to vote; or

(c) a member present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(d) a member present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right;

Provided always that no poll shall be demanded on the choice of a chairman or on a question of adjournment.

62. A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

63. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.

64. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

65. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the company each member entitled to vote may vote in person or by proxy. On a show of hands every member who is present in person and each proxy shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

65A. Every member shall be entitled to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia. In case of member not personally present shall be entitled to vote via mail, email, fax or any form of electronic communication, if the shareholders so consent.

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

67. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

68. No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

69. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

70. On a poll, votes may be given personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

71. (A) A member may appoint not more than two proxies to attend and vote at the same General Meeting provided that if the member is a Depositor, the Company shall be entitled and bound:

(i) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and

(ii) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

(B) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instruments (if any) given by and the notes (if any) set out in the instrument of proxy.

(C) In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(D) A proxy need not be a member of the Company.

72. (A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:

(a) in the case of an individual shall be signed by the appointor or his attorney; and

(b) in the case of a corporation shall be either given under its common seal or signed on it behalf by an attorney or a duly authorised officer of the corporation.

(B) The signature on such instrument need not be witnessed. Where an instrument, appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.

73. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

74. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

75. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

CORPORATIONS ACTING BY REPRESENTATIVES

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

(c) Rights in respect of Dividends

FORFEITURE AND LIEN

27. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

28. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

30. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.

31. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at that time of forfeiture or surrender or waive payment in whole or in part.

32. The Company shall have a first and paramount lien on every share (not being a fully paid share) and dividends from time to time declared in respect of such shares, which lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

33. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of a share or the person entitled thereto by reason of his death or bankruptcy.

34. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.

35. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository) or allottee thereof shall (subject to the execution of a transfer if the same is required) constitute a good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSMISSION OF SHARES

43. (A) In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or in administrators of the deceased where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.

(B) In the case of the death of a member who is a Depositor, the survivors or survivor where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.

(C) Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

44. Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some

other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person.

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

DIVIDENDS

121. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

122. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

123. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

124. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

125. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

126. (A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

127. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

128. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

129. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 131, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

130. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

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

CAPITALISATION OF PROFITS AND RESERVES

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