

CIRCULAR DATED 12 FEBRUARY 2015

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

This Circular is issued by LCD Global Investments Ltd. (the “**Company**”). 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 forward this Circular to the purchaser or transferee of the Shares or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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.



CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by

DBS BANK LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 196800306E)

for and on behalf of

AF GLOBAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201420126Z)

to acquire all the issued and paid-up ordinary shares (other than treasury shares) in the capital of the Company, other than those already owned, controlled or agreed to be acquired by AF Global Pte. Ltd. and the Offeror's Relevant Concert Parties (as defined herein)

Independent Financial Adviser to the Independent Directors of the Company



SHAREHOLDERS SHOULD NOTE THAT THE UNCONDITIONAL ANNOUNCEMENT (AS DEFINED HEREIN) MADE BY DBS BANK LTD. ON 4 FEBRUARY 2015 STATES THAT THE OFFER WILL REMAIN OPEN FOR ACCEPTANCE UNTIL 5.30 P.M. (SINGAPORE TIME) ON 12 MARCH 2015 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

“Act”	:	The Companies Act (Chapter 50 of Singapore)
“Articles”	:	The articles of association of the Company
“Board”	:	The board of Directors of the Company as at the Latest Practicable Date
“Circular”	:	This circular to Shareholders in relation to the Offer enclosing, <i>inter alia</i> , the recommendation of the Independent Directors and the IFA Letter
“Closing Date”	:	5.30 p.m. (Singapore time) on 12 March 2015 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 for the Offer
“Code”	:	The Singapore Code on Take-overs and Mergers
“Company Securities”	:	(a) Shares; and (b) convertible securities, warrants, options and derivatives in respect of (a)
“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
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“Distributions”	:	Shall have the meaning ascribed to it in Section 2.3 of this Circular
“Encumbrances”	:	Shall have the meaning ascribed to it in Section 2.3 of this Circular
“FAA”	:	Form of Acceptance and Authorisation, which is applicable to Shareholders whose Offer Shares are deposited with CDP and which forms part of the Offer Document
“FAT”	:	Form of Acceptance and Transfer, which is applicable to Shareholders whose Offer Shares are registered in their own names in the Register and which forms part of the Offer Document
“FY”	:	Financial year ended 30 June
“IFA Letter”	:	The letter dated 12 February 2015 from Provenance to the Independent Directors in respect of the Offer set out in Appendix I to this Circular
“Independent Directors”	:	All the Directors who are considered independent for the purposes of making recommendations to the Shareholders in respect of the Offer, namely Mr Lawrence Ee Hock Leong, Mr Kelvin Lum Wen-Sum, Mr Nobuyoshi Fujisawa, Mr Shigeyoshi Asano, Ms Iris Wu Hwee Tan, Dr Chua Sian Eng, Mr Richard Fam Shou Kwong and Mr Zainul Abidin bin Mohamed Rasheed

DEFINITIONS

“Interested Person”	:	As defined in the Note on Rule 23.12 of the Code, an Interested Person, in relation to a company, is: <ul style="list-style-type: none">(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
“Latest Practicable Date”	:	6 February 2015, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended up to the Latest Practicable Date
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“maximum potential issued shares”	:	Shall have the meaning ascribed to it in Section 2.4 of this Circular
“Memorandum”	:	The memorandum of association of the Company
“Offer”	:	The voluntary conditional cash offer made by DBS Bank, for and on behalf of the Offeror, on 12 January 2015 to acquire 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 relating to the making of the Offer released by DBS Bank, for and on behalf of the Offeror, on the Offer Announcement Date
“Offer Announcement Date”	:	12 January 2015
“Offer Document”	:	The offer document dated 29 January 2015 issued by DBS Bank, for and on behalf of the Offeror, including the FAA and the FAT, and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update the document(s) from time to time
“Offer Price”	:	S\$0.33 in cash for each Offer Share

DEFINITIONS

“Offer Shares”	:	All the Shares to which the Offer relates, as more particularly defined in Section 2.2 of the Offer Document and described in Section 2.2 of this Circular
“Offeror’s Concert Parties”	:	Shall have the meaning ascribed to it in Section 2.2 of this Circular
“Offeror’s Relevant Concert Parties”	:	(i) Aspial; (ii) Fragrance; (iii) Mr Koh Wee Seng, a director of Aspial and the Offeror; (iv) Mr Koh Wee Meng, a director of Fragrance and the Offeror; (v) Madam Tan Su Lan, the mother of Mr Koh Wee Seng and Mr Koh Wee Meng; (vi) Ms Ko Lee Meng, the sister of Mr Koh Wee Seng and Mr Koh Wee Meng, as well as a director of Aspial; and (vii) Ms Koh Lee Hwee, the sister of Mr Koh Wee Seng and Mr Koh Wee Meng, as well as a director of Aspial
“Offeror Securities”	:	(a) shares of the Offeror; (b) securities which carry substantially the same rights as any shares of the Offeror; and (c) convertible securities, warrants, options and derivatives in respect of (a) or (b)
“Options”	:	Options granted under the LCD Share Option Scheme
“Overseas Shareholders”	:	Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP
“Register”	:	The register of holders of Shares, as maintained by the Registrar
“Rights Issue”	:	The proposed rights issue of redeemable convertible bonds by the Company of up to S\$105,366,446 in aggregate principal amount at S\$1.00 per redeemable convertible bond, on the basis of 100 redeemable convertible bonds for every 1,000 Shares held by Shareholders, as announced by the Company on 5 December 2014 and cancelled on 14 January 2015
“Shareholders”	:	Holders of Shares as indicated on the Register and Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Issued and paid-up ordinary shares in the capital of the Company
“S\$” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
“Unconditional Announcement”	:	Shall have the meaning ascribed to it in Section 1.1 of this Circular
“Valuation Reports”	:	The valuation summaries and valuation certificates from the Valuers set out in Appendix VII to this Circular
“%” or “per cent.”	:	Per centum or percentage

COMPANIES / ORGANISATIONS

“Aspial”	:	Aspial Corporation Limited
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	LCD Global Investments Ltd.
“CPF”	:	Central Provident Fund
“DBS Bank”	:	DBS Bank Ltd.

DEFINITIONS

“EY”	:	Ernst & Young LLP, the auditor of the Company
“Fragrance”	:	Fragrance Group Limited
“Group”	:	The Company and its subsidiaries
“Offeror”	:	AF Global Pte. Ltd.
“Provenance” or “IFA”	:	Provenance Capital Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Offer
“Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SIC”	:	Securities Industry Council of Singapore
“Valuers”	:	American Appraisal (Thailand) Ltd. (address at 31st Floor, Thai CC Tower, 889 South Sathorn Road, Yannawa, Sathorn Bangkok 10120), Associated Property Consultants Pte. Ltd. (address at 168 Jalan Bukit Merah #03-07 A/B Tower 3, Singapore 150168) and Savills Advisory Services Limited (address at 33 Margaret Street, London, W1G 0JD)

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 130A of the Act.

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

The terms “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Section 5 and Section 6 of the Act. The expression “**associated company**” shall have the meaning ascribed to it in the Code.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one (1) gender shall include the other gender. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Act, the Listing Manual or the Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Act, 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 and the Articles are set out in this Circular within quotes and in italics and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Articles respectively.

In this Circular, any reference to the total number of issued Shares is a reference to 1,053,664,464 issued Shares (excluding 672,000 treasury shares) 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”, “potential”, “strategy”, “forecast”, “possible”, “probable” and similar expressions or future or conditional verbs such as “if”, “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 as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future results, performance, events or achievements and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor Provenance assumes any obligation to update publicly or revise any forward-looking statement, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

SUMMARY TIMETABLE

- Date of despatch of Offer Document : 29 January 2015
- Closing Date : 5.30 p.m. (Singapore time) on 12 March 2015, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, such date being the last day for the lodgement of acceptances of the Offer
- Date of settlement of consideration for valid acceptances of the Offer ⁽¹⁾ :
- (a) in respect of acceptances of the Offer which are complete in all respects and are received **on or before** the date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within 10 days of that date; or
 - (b) in respect of acceptances which are complete in all respects and are received **after** the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but before the Offer closes, within 10 days of the date of such receipt.

Note:

- (1) Please refer to paragraph 2 of Appendix 1 to the Offer Document for further details.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

LCD GLOBAL INVESTMENTS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 197301118N)

Board of Directors:

Mr Lawrence Ee Hock Leong (Non-Executive Chairman)
Mr Kelvin Lum Wen-Sum (Managing Director)
Mr Nobuyoshi Fujisawa (Executive Director)
Mr Shigeyoshi Asano (Executive Director)
Ms Iris Wu Hwee Tan (Executive Director)
Dr Chua Sian Eng (Non-Executive Director)
Mr Richard Fam Shou Kwong (Non-Executive Director)
Mr Zainul Abidin bin Mohamed Rasheed (Non-Executive Director)

Registered Office:

14 Kung Chong Road
#06-01
Lum Chang Building
Singapore 159150

12 February 2015

To: The Shareholders of the Company

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH OFFER BY DBS BANK, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES

1. BACKGROUND

1.1 Offer Announcement

DBS Bank had on the Offer Announcement Date made the Offer Announcement, for and on behalf of the Offeror, in relation to the voluntary conditional cash offer for all the Shares (excluding treasury shares), other than those already owned, controlled or agreed to be acquired by the Offeror and the Offeror's Relevant Concert Parties.

On 14 January 2015, the Company announced the cancellation of the Rights Issue.

On the same day, DBS Bank, for and on behalf of the Offeror, announced, *inter alia*, that the Offer Price for the Offer Shares shall be S\$0.33 for each Offer Share.

On 4 February 2015, DBS Bank, for and on behalf of the Offeror, announced, *inter alia*, that the Offer had become and was declared unconditional in all respects (the "Unconditional Announcement").

Copies of the Offer Announcement, the announcements made by the Company and DBS Bank on 14 January 2015, and the Unconditional Announcement are 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 Section 2 of the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.**

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

1.3 Independent Financial Adviser

Provenance has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

1.4 Purpose of the 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 Provenance to the Independent Directors in respect of the Offer.

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

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

2. THE OFFER

Based on the information set out in the Offer Document, DBS Bank, for and on behalf of the Offeror, has offered to acquire all the Offer Shares in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and the Code. The principal terms and conditions of the Offer are set out below.

2.1 Offer Price

For each Offer Share: S\$0.33 in cash.

2.2 Offer Shares

Section 2.2 of the Offer Document states that the Offer is extended to:

- (a) all the Shares (other than treasury shares); and
- (b) all the Shares unconditionally issued pursuant to the valid exercise, on or prior to the close of the Offer, of any outstanding Options,

in each case, other than Shares which are owned, controlled or agreed to be acquired by the Offeror and the Offeror's Relevant Concert Parties (all such Shares subject to the Offer, the "**Offer Shares**").

As at the Latest Practicable Date, 1,975,000 Options remain outstanding.

Section 2.3 of the Offer Document states that the Offeror is a company formed by a consortium comprising Aspial and Fragrance to make the Offer. Further information on the consortium is set out in Section 7.3 of the Offer Document. As at 22 January 2015 (being the latest practicable date prior to the printing of the Offer Document):

- (a) the Offeror owns 6,176,000 Shares, representing approximately 0.6 per cent. of the issued Shares; and
- (b) based on the latest information available to the Offeror, the parties acting or presumed to be acting in concert with the Offeror (the "**Offeror's Concert Parties**") own, control or have agreed to acquire 308,826,000 Shares in aggregate, representing approximately 29.3 per cent. of the issued Shares.

As stated in the Unconditional Announcement, as at 5.00 p.m. on 3 February 2015, the Offeror and the Offeror's Concert Parties owned, controlled, have acquired or agreed to acquire an aggregate of 627,608,976 Shares, representing approximately 59.6 per cent. of the issued Shares as at 3 February 2015.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

2.3 No Encumbrances

Section 2.4 of the Offer Document states that the Offer Shares will be acquired:

- (a) fully paid;
- (b) free from all claims, charges, liens, mortgages, encumbrances, hypothecation, retention of title, power of sale, equity, options, rights of pre-emption, rights of first refusal or other third party rights or interests of any nature whatsoever ("**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 all dividends, rights, other distributions and return of capital ("**Distributions**") (if any) which may be announced, declared, paid or made by the Company on or after the Offer Announcement Date.

If any Distribution is announced, declared, paid or made by the Company on or after the Offer Announcement Date, and the Offeror is not entitled to receive such Distribution in full in respect of any Offer Share tendered in acceptance of the Offer, the Offeror shall reduce the Offer Price payable in respect of such Offer Share by the amount of such Distribution.

2.4 Minimum Acceptance Condition

Section 2.5 of the Offer Document states that the Offer will be 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 the Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and the Offeror's Concert Parties, will result in the Offeror and the Offeror's Concert Parties holding such number of Shares carrying more than 50 per cent. of the voting rights attributable to all Shares in issue (excluding treasury shares) as at the close of the Offer.

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 (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and the Offeror's Concert Parties, will result in the Offeror and the Offeror's Concert Parties holding such number of Shares carrying more than 50 per cent. of the voting rights attributable to the maximum potential issued shares on the date of such declaration. For this purpose, the "**maximum potential issued shares**" means the total number of Shares which would be in issue (excluding treasury shares) assuming the exercise of all the outstanding Options.

The Offer was unconditional in all other respects.

Under the Unconditional Announcement, DBS Bank, announced, for and on behalf of the Offeror, that as at 5.00 p.m. on 3 February 2015, the Offeror has received valid acceptances of the Offer in respect of 312,606,976 Offer Shares (which have not been withdrawn) which, when taken together with the Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and the Offeror's Concert Parties, results in the Offeror and the Offeror's Concert Parties holding such number of Shares carrying more than 50 per cent. of the voting rights attributable to the maximum potential issued shares⁽¹⁾ and that the Offer had become and was declared unconditional in all respects.

Note:

- (1) Based on 1,055,639,464 Shares, comprising 1,053,664,464 Shares in issue (excluding 672,000 treasury shares) and 1,975,000 Options as at 3 February 2015.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

2.5 Warranty

Section 4 of the Offer Document states that a Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to 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 Distributions (if any) which may be announced, declared, paid or made by the Company on or after the Offer Announcement Date.

2.6 Closing Date

The Offer Document states that the Offer is open for acceptance by Shareholders for at least 28 days from 29 January 2015, being the date of despatch of the Offer Document, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

Pursuant to the Unconditional Announcement, the Offer will remain open for acceptances until 5.30 p.m. (Singapore time) on 12 March 2015, being 14 days after 26 February 2015, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

2.7 Details of the Offer

The Offer is made in accordance with the principal terms and conditions set out in the Offer Document. 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, are set out in Appendix 1 to the Offer Document.

2.8 Procedures for Acceptance

The procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document.

3. IRREVOCABLE UNDERTAKINGS

As set out in Section 7.6 of the Offer Document, certain Offeror's Relevant Concert Parties, being Aspial, Mr Koh Wee Seng, Ms Ko Lee Meng and Madam Tan Su Lan, have provided irrevocable undertakings to the Offeror that, *inter alia*, save as otherwise agreed with the Offeror, they shall not, during the Offer period, directly or indirectly, (i) offer, (ii) sell, transfer, give or otherwise dispose of, (iii) grant any option, right or warrant to purchase in respect of, (iv) charge, mortgage, pledge or otherwise encumber or (v) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of ownership of, all or any of their respective Shares or any interest therein.

4. INFORMATION ON THE OFFEROR

Information on the Offeror set out in paragraphs 1 and 2 of Appendix 3 to the Offer Document is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

<i>Name</i>	<i>Address</i>	<i>Description</i>
Koh Wee Seng	55 Ubi Avenue 1 #07-11 Ubi 55 Singapore 408935	Director

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

Koh Wee Meng

55 Ubi Avenue 1
#07-11
Ubi 55
Singapore 408935

Director

2. **PRINCIPAL ACTIVITY AND SHARE CAPITAL**

The Offeror is a private company limited by shares incorporated in Singapore on 9 July 2014. Its principal activity is that of investment holding. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$10,000,000 divided into 10,000,000 ordinary shares.

The shareholders of the Offeror are Aspial and Fragrance, each holding 50.0 per cent. of the issued shares of the Offeror.”

Additional information on the Offeror may also be found in Appendix 3 to the Offer Document.

5. **RATIONALE FOR THE OFFER AND THE OFFEROR’S INTENTIONS FOR THE COMPANY**

The full text of the rationale for the Offer and the Offeror’s intentions for the Company has been extracted from Section 9 and Section 10.1 of the Offer Document respectively, and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“9. RATIONALE FOR THE OFFER

9.1 Recent Developments Affecting the Company’s Shareholding Structure and Recent Corporate Initiatives of the Company

9.1.1 *On 21 April 2014, RDL Investments Pte. Ltd., the shareholders of which are Raymond Lum Kwan Sung, David Lum Kok Seng and Kelvin Lum Wen Sum¹ (the “Lum Family”) made a general offer to Shareholders (the “Previous Offer”) at an offer price of S\$0.17 per LCD Share representing a 37.5 per cent. discount to the net asset value of the Company as at 31 March 2014. The Previous Offer lapsed on 11 July 2014, after it failed to garner sufficient acceptances.*

9.1.2 *On 19 September 2014, the Lum Family and the companies controlled by them sold an aggregate of 310,475,205 LCD Shares representing approximately 29.5 per cent. of the issued LCD Shares to JTrust at a price of S\$0.30 per LCD Share. As a result of the sale, the Lum Family reduced their collective stake from their original holding of 31.75 per cent. of the issued LCD Shares to approximately 2.25 per cent. and ceased to be controlling or substantial shareholders of the Company. In connection with the sale, two nominees of JTrust were appointed as executive directors to the LCD Board while Mr David Lum resigned from his position on the LCD Board. The executive personnel of the Company had therefore changed significantly. As JTrust acquired less than 30 per cent. of the LCD Shares in issue, it did not incur an obligation to make a mandatory offer to Shareholders.*

9.1.3 *On 5 December 2014, the Company announced that it was proposing to carry out the Rights Issue which would be fully underwritten by JTrust. The redeemable convertible bonds bear an interest rate of 2.5 per cent. per annum while the conversion price of S\$0.25 for each LCD Share represents a discount of 3.85 per cent. over the last transacted price of the SGX-ST on 4 December 2014, being the last trading day on which the LCD Shares were transacted on the SGX-ST prior to the date of the announcement of the Rights Issue.*

¹ *Raymond Lum and David Lum are brothers, and Kelvin Lum is the son of David Lum. Raymond Lum and David Lum were controlling shareholders of LCD prior to the sale of a substantial part of their stake in LCD to JTrust.*

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

9.1.4 *On 12 January 2015, the Offeror had made the Offer to provide a viable exit alternative to Shareholders who did not wish to be subject to the potential risk of significant dilution if they did not subscribe for their pro rata entitlement or who did not wish to inject additional funds into LCD pursuant to the Rights issue.*

9.1.5 *On 14 January 2015, the LCD Board decided that it will cancel the Rights Issue. However, the Offeror notes that the Board has stated that it will reconsider, taking into account the prevailing circumstances, fund-raising options (including carrying out a fresh rights issue) after the close or lapse of the Offer.*

9.2 The Offer Price Presents an Opportunity for Shareholders to Realise Their Investment at Almost Double the Price of S\$0.17 under the Previous Offer

9.2.1 *In light of the above, the Offeror believes that the Offer presents an opportunity for Shareholders to realise their investment in LCD Shares for cash at an attractive premium to the price of S\$0.17 offered under the Previous Offer.*

9.2.2 *The Offer Price of S\$0.33 represents a premium vis-à-vis the following pricing benchmarks:*

- (i) a 94.1 per cent. premium to the Previous Offer price of S\$0.17 per LCD Share;*
- (ii) a premium of 117.1 per cent., 126.0 per cent., 129.2 per cent., 127.6 per cent. and 115.7 per cent. to the last transacted price of the LCD Shares as quoted on the SGX-ST on 17 April 2014, being the last trading day of the LCD Shares on the SGX-ST preceding the announcement of the Previous Offer (“**Previous Offer - Last Trading Day**”), and the VWAP for the one-month, three-month, six-month and 12-month periods up to and including the Previous Offer - Last Trading Day respectively, being the reference prices at the time at which the Previous Offer was made;*
- (iii) a 22.2 per cent. premium to the unaudited consolidated NAV per LCD Share of the LCD Group as at 30 September 2014 of S\$0.27; and*
- (iv) the Offer Price exceeds S\$0.315, being the highest closing price of the LCD Shares in the five years preceding the Offer Announcement Date.*

9.3 Potential for Continued Growth. *The Consortium Members see potential for continued growth in the various businesses and subsidiaries of LCD, taking into account the geographical footprint of the LCD Group’s assets and its developments.*

9.4 Ability to Work Closely with LCD. *If the Offer becomes or is declared unconditional, the Offeror and its Concert Parties will collectively become shareholders with majority control of LCD. In that event, the Offeror will be well positioned to work closely with LCD to pursue business opportunities and strategies which may be beneficial to all Shareholders including the Offeror and the Consortium Members in the long term.*

10. THE OFFEROR’S INTENTIONS FOR LCD

10.1 The Offeror’s Future Plans for LCD. *It is the present intention of the Offeror that LCD continue with its existing business activities. The Offeror currently has no plans to (i) introduce any major changes to the business of LCD, (ii) re-deploy the fixed assets of LCD, or (iii) discontinue the employment of any of the existing employees of the LCD Group.*

Nonetheless, the Offeror retains the flexibility to undertake a strategic review of the business of LCD following the close of the Offer and at any time to consider any options or opportunities which may present themselves and which they regard to be in the interests of LCD.”

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

6. THE OFFEROR'S INTENTIONS REGARDING LISTING STATUS AND COMPULSORY ACQUISITION

The full text of the Offeror's intentions relating to the listing status and compulsory acquisition of the Company has been extracted from Section 10.2 and Section 10.3 of the Offer Document respectively, and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“10.2 Listing Status of LCD. Pursuant to Rule 1105 of the Listing Manual, in the event that the Offeror and its Concert Parties should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the total number of issued LCD Shares (excluding treasury shares), the SGX-ST may suspend the listing of the LCD Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of issued LCD Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Pursuant to Rule 1303(1) of the Listing Manual, where the Offer succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued LCD Shares (excluding treasury shares), thus causing the percentage of the total number of issued LCD Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the LCD Shares at the close of the Offer.

In addition, pursuant to Rule 723 of the Listing Manual, LCD must ensure that at least 10 per cent. of the total number of issued LCD Shares (excluding treasury shares) is at all times held in public hands (the **“Free Float Requirement”**). Pursuant to Rule 724(1) of the Listing Manual, if the percentage of the total number of issued LCD Shares (excluding treasury shares) held in public hands falls below 10 per cent., LCD must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the LCD Shares on the SGX-ST. Pursuant to Rule 724(2) of the Listing Manual, the SGX-ST may allow LCD a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of the total number of issued LCD Shares (excluding treasury shares) held by members of the public to at least 10 per cent., failing which LCD may be delisted from the SGX-ST.

It is the present intention of the Offeror to maintain the listing status of LCD on the SGX-ST following the completion of the Offer. However, in the event the Free Float Requirement is not satisfied at the close of the Offer, the Offeror reserves the right to re-evaluate its position, taking into account, inter alia, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.

10.3 No Compulsory Acquisition and Dissenting Shareholders' Rights. Section 215(1) of the Companies Act provides that where there is a scheme to acquire all of the shares or all of the shares in any particular class in a company, and the offeror receives valid acceptances (or acquires such number of such shares during the offer period otherwise than through valid acceptances of the offer) which in aggregate represent not less than 90 per cent. of the total number of the shares (excluding treasury shares) or of the shares of that class as at the closing date of the offer (other than those already held by the offeror, its related corporations or their respective nominees as at the date of the offer), the offeror would be entitled to compulsorily acquire all the shares from those shareholders who have not accepted the offer as at the closing date of the offer. In such a case, shareholders who have not accepted the offer as at the closing date of the offer would also have the right under and subject to Section 215(3) of the Companies Act, to require the offeror to acquire their shares in the event that the offeror, its related corporations or their respective nominees acquire, pursuant to the offer or otherwise, such number of shares which, together with the shares held by the offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of shares in the offeree company.

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However, as disclosed in Section 2.2 of the Letter to Shareholders in this Offer Document above, the Offer will not be extended to LCD Shares which are already owned, controlled or agreed to be acquired by the Relevant Concert Parties. As the Relevant Concert Parties include persons other than the Offeror and its related corporations (or their respective nominees), the requirements of Section 215(1) of the Companies Act will not be satisfied in relation to the Offer and the Offeror will not be entitled to compulsorily acquire the remaining LCD Shares under Section 215(1) of the Companies Act. Similarly, Shareholders who do not accept the Offer will not be able to require the Offeror to acquire their LCD Shares under Section 215(3) of the Companies Act.”

7. DIRECTORS’ INTERESTS

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

8. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

Provenance has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer.

Shareholders should read and consider carefully the recommendation of the Independent Directors and the advice of Provenance to the Independent Directors in respect of the Offer in their entirety before deciding whether to accept or reject the Offer.

8.1 Independence of Directors

All the Directors are considered independent for the purposes of making a recommendation to Shareholders in respect of the Offer.

8.2 Evaluation of the Offer by Provenance and Provenance’s Advice to the Independent Directors on the Offer

The IFA Letter setting out the advice of Provenance to the Independent Directors in respect of the Offer is set out in Appendix I to this Circular.

The advice and recommendation of Provenance to the Independent Directors in respect of the Offer has been extracted from the IFA Letter and is set out below. Shareholders should read the following extract in conjunction with, and in the context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

“Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the financial terms of the Offer are fair and reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to ACCEPT the Offer or to sell their LCD Shares in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs).”

Shareholders should read and consider carefully the key considerations relied upon by the IFA in arriving at its advice to the Independent Directors in conjunction with, and in the context of, the full text of the IFA Letter.

8.3 Recommendation of the Independent Directors

The Independent Directors have reviewed and considered carefully the terms of the Offer and the advice given by Provenance in the IFA Letter. The Independent Directors **concur** with Provenance’s assessment of the Offer and their advice and recommendation thereon.

Accordingly, the Independent Directors recommend that Shareholders ACCEPT the Offer.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

Shareholders are advised to read the terms and conditions of the Offer Document carefully. Shareholders are advised to read the IFA Letter set out in Appendix I to this Circular carefully before deciding whether to accept or reject the Offer. Shareholders should note that Provenance's advice to the Independent Directors in respect of the Offer should not be relied upon by any Shareholder as the sole basis for deciding whether to accept or reject the Offer.

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

Shareholders should note that the trading of the Shares is subject to, *inter alia*, the performance and prospects of the Group, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, Provenance's advice to the Independent Directors in respect of the Offer cannot and does not take into account the future trading activity or patterns or price levels that may be established for the Shares beyond the Latest Practicable Date since these are governed by factors beyond the ambit of Provenance's review.

9. OVERSEAS SHAREHOLDERS

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

"14. OVERSEAS SHAREHOLDERS

14.1 Overseas Shareholders. *This Offer Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being proposed in any jurisdiction in which the introduction or implementation of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction. The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register (each, an "Overseas Shareholder") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable requirements in their own jurisdictions. For the avoidance of doubt, the Offer is made to all Shareholders including those to whom this Offer Document and the relevant acceptance forms have not been, or will not be, sent.*

14.2 Copies of the Offer Document. *Shareholders (including Overseas Shareholders) may obtain copies of this Offer Document, the Relevant Acceptance Forms and any related documents, during normal business hours up to the Closing Date from B.A.C.S. Private Limited (if he is a scripholder) at 63 Cantonment Road, Singapore 089758 or The Central Depository (Pte) Limited (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588. Alternatively, Shareholders (including Overseas Shareholders) may write to the Offeror at AF Global Pte. Ltd. c/o B.A.C.S. Private Limited (if he is a scripholder) at 63 Cantonment Road, Singapore 089758 or The Central Depository (Pte) Limited (if he is a Depositor) at Robinson Road Post Office P.O. Box 1984, Singapore 903934, to request for this Offer Document, the Relevant Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three (3) Market Days prior to the Closing Date.*

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

14.3 Overseas Jurisdiction. *It is the responsibility of an 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, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall also be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including DBS Bank, CDP and the Receiving Agent) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or requisite payments that may be required to be paid. 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.*

14.4 Notice. *The Offeror and DBS Bank each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all 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 to receive or see such announcement or advertisement.”*

The Articles provide that any member whose registered address is outside Singapore and who has not supplied an address within Singapore for the service of notices and documents shall not be entitled to receive any such notices or documents from the Company. Any affected Overseas Shareholder may nonetheless (subject to compliance with applicable laws) attend in person and obtain copies of this Circular during normal business hours up to 5.30 p.m. (Singapore time) on the Closing Date, from the office of the Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, any Overseas Shareholder may (subject to compliance with applicable laws) write to the Registrar at the above-stated address to request for this Circular to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.

In requesting for this Circular and any related documents, each of the Overseas Shareholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements. **Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.**

10. 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 12 March 2015 or such later date(s) as may be announced from time to time by or on behalf of the Offeror and should follow the procedures set out in Appendix 2 to the Offer Document (and the FAA and/or the FAT).

Shareholders who do not wish to accept the Offer need not take further action in respect of the Offer Document (including the FAA and/or the FAT) which has been sent to them.

11. INFORMATION PERTAINING TO CPFIS INVESTORS

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

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks. Subject to the Offer becoming or being declared unconditional in accordance with its terms, CPFIS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their CPF investment accounts.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Save for (a) Appendices I, V, VI and VII to this Circular; (b) information extracted *in toto* from the Offer Document; and (c) information relating to the Offeror, the Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed herein are fair and accurate and that there are no material facts not contained herein, the omission of which would make any statement in this Circular misleading.

The recommendation of the Independent Directors to Shareholders in respect of the Offer set out in Section 8.3 of this Circular is the sole responsibility of the Independent Directors.

In respect of the Appendices I, V, VI and VII to this Circular, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are fair and accurate in all material respects.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced herein.

The Directors jointly and severally accept responsibility accordingly.

Yours faithfully
For and on behalf of the Board

Lawrence Ee Hock Leong
Non-Executive Chairman

APPENDIX I – LETTER FROM PROVENANCE CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

12 February 2015

To: The Independent Directors of LCD Global Investments Ltd.
(deemed to be independent in respect of the Offer)

Mr Lawrence Ee Hock Leong	(Non-Executive Chairman)
Mr Kelvin Lum Wen-Sum	(Managing Director)
Mr Nobuyoshi Fujisawa	(Executive Director)
Mr Shigeyoshi Asano	(Executive Director)
Ms Iris Wu Hwee Tan	(Executive Director)
Dr Chua Sian Eng	(Non-Executive Director)
Mr Richard Fam Shou Kwong	(Non-Executive Director)
Mr Zainul Abidin bin Mohamed Rasheed	(Non-Executive Director)

Dear Sirs / Madam,

VOLUNTARY CONDITIONAL CASH OFFER BY DBS BANK LTD., FOR AND ON BEHALF OF AF GLOBAL PTE. LTD. (“OFFEROR”), TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES (OTHER THAN TREASURY SHARES) IN THE CAPITAL OF LCD GLOBAL INVESTMENTS LTD. (“COMPANY”) OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND THE RELEVANT CONCERT PARTIES (AS DEFINED HEREIN)

Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to the shareholders of the Company (“Shareholders”) dated 12 February 2015 (“Circular”).

1. INTRODUCTION

1.1 In evaluating the Offer by the Offeror for the shares of the Company (“LCD Shares”), it may be useful to observe the following recent developments involving the Company, its controlling shareholders and/or its directors, leading up to the present Offer:

- (i) On 21 April 2014, the then controlling shareholder of the Company, the Lum Family, through its private company, RDL Investments Pte. Ltd., made a general offer for the LCD Shares at an offer price of S\$0.170 per LCD Share (“**Previous Offer**”). The Lum Family refers to Mr Raymond Lum Kwan Sung, Mr David Lum Kok Seng and Mr Kelvin Lum Wen-Sum. Subsequently, the Previous Offer lapsed on 11 July 2014 after failing to garner sufficient acceptances for the offer to become unconditional.
- (ii) It is noteworthy to highlight that during the Previous Offer, Mr Koh Wee Seng and his related parties, namely, Aspial Corporation Limited (“**Aspial**”), had been accumulating LCD Shares via market purchases, of which a significant number of these LCD Shares were acquired at prices higher than S\$0.170 per LCD Share during the offer period of the Previous Offer. Soon after the close of the Previous Offer, on 16 July 2014, it was disclosed that Mr Koh Wee Seng and Aspial owned, in aggregate, approximately 17.1% shareholding interest in the Company, which represented the second largest shareholding block in the Company. During the offer period of the Previous Offer, the LCD Shares were traded in the market at prices between S\$0.170 and S\$0.325.
- (iii) On 25 September 2014, the Lum Family, and companies controlled by them, effected the sale of an aggregate of 310,475,205 LCD Shares, representing approximately 29.5% of the then issued LCD Shares to JTrust Asia Pte. Ltd. (“**JTrust**”) at S\$0.30 per LCD Share. As a result of the sale, the Lum Family’s collective 31.8% shareholding interest in the Company was reduced to approximately 2.3%. The Lum Family ceased

APPENDIX I – LETTER FROM PROVENANCE CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

to be the controlling shareholder of the Company while JTrust became the new controlling shareholder of the Company. Around this time, Mr Koh Wee Seng and Aspial had their aggregate shareholding interest in the Company increased to approximately 18.0%.

- (iv) At the Company's annual general meeting ("**AGM**") held on 30 October 2014, the resolutions to re-elect the two nominee directors of JTrust were passed by Shareholders. Mr Koh Wee Seng was nominated by Aspial to be a director of the Company. However, the resolution to elect Mr Koh Wee Seng was not passed successfully at the above AGM. On 21 October 2014, it was disclosed that Mr Koh Wee Seng and Aspial owned approximately a 23.5% shareholding interest in the Company.
- (v) On 5 December 2014, the Company announced a renounceable rights issue ("**Rights Issue**") of up to S\$105,366,446, in aggregate, principal amount of convertible bonds ("**RCB**") on the basis of 100 RCB for every 1,000 existing LCD Shares. The RCB bore an interest rate of 2.5% per annum and the conversion price of the RCB at S\$0.25 represented a discount of 3.85% to the last transacted price of the LCD Shares prior to the announcement of the Rights Issue. JTrust had then provided an irrevocable undertaking which effectively ensured that the entire Rights Issue would be fully subscribed.
- (vi) On 12 January 2015 ("**Offer Announcement Date**"), DBS Bank Ltd. ("**DBS Bank**") announced, for and on behalf of the Offeror ("**Offer Announcement**"), that the Offeror intended to make the Offer, a voluntary conditional cash offer, for all the LCD Shares other than those already owned, controlled or agreed to be acquired by the Offeror and the relevant parties ("**Relevant Concert Parties**") acting in concert with the Offeror ("**Offer Shares**"). At the time of the Offer Announcement, the Offeror and parties acting in concert with the Offeror ("**Concert Parties**") owned, in aggregate, 308,720,000 LCD Shares, representing approximately 29.3% of the total number of issued LCD Shares.

1.2 The Offer was made on the following basis:

- (i) in the event the Company announced via SGXNET on or before 6.00 p.m. on 14 January 2015 an unconditional and irrevocable confirmation that it would either cancel the Rights Issue or defer the lodgement of the offer information statement with the Monetary Authority of Singapore and the announcement of the Rights Issue Books Closure Date to a date no earlier than one month after the close or lapse of the Offer, at **S\$0.33 in cash per Offer Share** ("**Rights Issue Cancellation or Deferral**"); or
- (ii) in the event the Company did not announce the Rights Issue Cancellation or Deferral on or before 6.00 p.m. on 14 January 2015, at **S\$0.30 in cash per Offer Share**.

1.3 On 14 January 2015, the Company announced the cancellation of the Rights Issue.

On the same day, the Offeror confirmed through its supplemental offer announcement that, arising from the above decision by the Company to cancel the Rights Issue, the Offer would be made at **S\$0.33 in cash per Offer Share**.

The Offer is conditional upon the Offeror having received valid acceptances in respect of such number of Offer Shares which, when taken together with the LCD Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and the Concert Parties, will result in the Offeror and the Concert Parties holding such number of LCD Shares carrying more than 50.0% of the voting rights attributable to the maximum potential issued shares of the Company ("**Minimum Acceptance Condition**"). The maximum potential issued shares means the total number of LCD Shares which would be in issue (excluding treasury shares) assuming the exercise of all the outstanding options granted under the LCD Share Option Scheme ("**Options**").

The Offer is not subject to any other condition.

APPENDIX I – LETTER FROM PROVENANCE CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

- 1.4 On 29 January 2015, the formal Offer was made by DBS Bank, for and on behalf of the Offeror, for the Offer Shares, subject to the terms and conditions as set out in the offer document dated 29 January 2015 (“**Offer Document**”). The Offer Document, the FAA and the FAT were despatched to Shareholders on 29 January 2015.
- 1.5 On 4 February 2015, DBS Bank announced, *inter alia*, for and on behalf of the Offeror, that as at 5.00 p.m. on 3 February 2015, the Offeror had received valid acceptances of the Offer in respect of 312,606,976 Offer Shares (which have not been withdrawn) which, when taken together with the LCD Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and the Concert Parties, result in the Offeror and the Concert Parties holding such number of LCD Shares carrying more than 50.0% of the voting rights attributable to the maximum potential issued shares, thus fulfilling the Minimum Acceptance Condition. Accordingly, DBS Bank announced, for and on behalf of the Offeror, that the Offer had become and was declared unconditional in all respects.

As at the Latest Practicable Date, the Company has 1,053,664,464 LCD Shares in issue (excluding 672,000 treasury shares) and 1,975,000 outstanding Options which may be exercisable into an equivalent number of LCD Shares.

- 1.6 In connection with the Offer, the Company has appointed Provenance Capital Pte. Ltd. (“**Provenance Capital**”) as the independent financial adviser (“**IFA**”) to the Directors who are considered independent in respect of the Offer (“**Independent Directors**”), for the purpose of making their recommendation to the Shareholders in relation to the Offer. The Company has confirmed to us that all the Directors, namely, Mr Lawrence Ee Hock Leong, Mr Kelvin Lum Wen-Sum, Mr Nobuyoshi Fujisawa, Mr Shigeyoshi Asano, Ms Iris Wu Hwee Tan, Dr Chua Sian Eng, Mr Richard Fam Shou Kwong and Mr Zainul Abidin bin Mohamed Rasheed are deemed to be Independent Directors.

This letter (“**Letter**”) is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and advice on the financial terms of the Offer and our recommendation thereon. This Letter forms part of the Circular which provides, *inter alia*, the details of the Offer and the recommendation of the Independent Directors thereon.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA to advise the Independent Directors in respect of their recommendation to the Shareholders in relation to the Offer.

We have confined our evaluation and assessment to the financial terms of the Offer, and have not taken into account the commercial risks or commercial merits of the Offer. In addition, we have not been requested to, and we do not, express any advice or give any opinion on the merits of the Offer relative to any other alternative transaction. We were not involved in the negotiations pertaining to the Offer nor were we involved in the deliberations leading up to the decision to put forth the Offer to the Shareholders.

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position or earnings potential of the Company and its subsidiaries (“**Group**”). Such evaluation or comments remain the responsibility of the Directors although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion. The opinion set forth herein is based solely on publicly available information as well as information provided by the Directors, and is predicated upon the economic and market conditions prevailing as at 6 February 2015, being the Latest Practicable Date as referred to in the Circular. This Letter therefore does not reflect any projections on the future financial performance of the Group and we do not express any views as to the prices at which the LCD Shares may trade after the completion of the Offer.

We have not been requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the LCD Shares. In that regard, we have not

APPENDIX I – LETTER FROM PROVENANCE CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

addressed the relative merits of the Offer in comparison with any alternative transaction that the Company may consider in the future. Therefore, we do not express any views in these areas in arriving at our recommendation.

In formulating our opinion and recommendation, we have held discussions with the Directors and the management of the Group (“**Management**”) and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Company and its other professional advisers. Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the information both written and verbal and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We nonetheless have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

The Directors have confirmed, having made all reasonable enquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Offer, the Company and/or the Group has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment). In connection with the Offer, the Company had commissioned independent valuers (“**Valuers**”) to carry out a revaluation of the various properties owned by the Group as at 31 December 2014. These properties were last valued as at 31 March 2014 in connection with the Previous Offer.

We have been furnished with the summary letters of the property valuation reports and/or valuation certificates (“**Valuation Summary Letters**”) of the following properties of the Group by the Valuers in connection with the Offer:

Property	Valuer
Crowne Plaza London Kensington 100 Cromwell Road London SW7 4ER, United Kingdom (“ Crowne Plaza London ”)	Savills Advisory Services Limited
Holiday Inn Resort Phuket 52 Thaweewong Road Tambol Patong Amphoe Kathu Phuket, Thailand (“ Holiday Inn Resort Phuket ”)	American Appraisal (Thailand) Ltd. (“ American Appraisal ”)
Somerset Vientiane <i>(formerly known as Parkview Executive Suites)</i> Souphanouvong Avenue Sikottabong District Vientiane, Lao People's Democratic Republic (“ Somerset Vientiane ”)	Associated Property Consultants Pte. Ltd. (“ Associated Property Consultants ”)

APPENDIX I – LETTER FROM PROVENANCE CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

Property	Valuer
Cityview Apartments and Commercial Centre 12 Mac Dinh Chi Street Da Kao Ward District 1 Ho Chi Minh City, Vietnam (“ Cityview Apartments ”)	Associated Property Consultants
InterContinental Phuket Rawai Beach Resort 100 Wiset Road Tambol Rawai Amphoe Muang Phuket Phuket, Thailand (under review for redevelopment) (“ InterContinental Phuket Rawai ”)	American Appraisal

The Valuation Summary Letters are attached as Appendix VII to the Circular.

We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on the Valuation Summary Letters for such asset appraisal and have not made any independent verification of the contents thereof. In particular, we do not assume any responsibility to enquire about the basis of the valuation contained in the Valuation Summary Letters or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements including the Singapore Code on Takeovers and Mergers (“**Code**”).

The information we had relied on in the assessment of the Offer was based on market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date, which may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or assumptions contained herein. Shareholders should take note of any announcements relevant to their consideration of the Offer, as the case may be, which may be released after the Latest Practicable Date.

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

The Company has been separately advised by its own professional advisers in the preparation of the Circular. We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular. Accordingly, we take no responsibility for and express no view, whether expressed or implied, on the contents of the Circular.

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

Our opinion is addressed to the Independent Directors for their benefit and deliberation of the Offer. The recommendation made to the Shareholders in relation to the Offer, as the case may be, shall remain the sole responsibility of the Independent Directors.

APPENDIX I – LETTER FROM PROVENANCE CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

Our recommendation to the Independent Directors in relation to the Offer should be considered in the context of the entirety of this Letter and the Circular.

As a matter of disclosure, we were the IFA to the independent directors of the Company in relation to the Previous Offer. Our opinion in respect of the Previous Offer is set out in Appendix I to the Circular to Shareholders of the Company dated 26 May 2014.

3. THE OFFER

The detailed terms and conditions of the Offer are set out in the Offer Document. The key terms of the Offer are set out below for your reference.

3.1 Offer Price

The consideration for each Offer Share is:

For each Offer Share: S\$0.33 in cash.

3.2 Offer Shares

The Offer is extended to:

- (i) all the LCD Shares (other than treasury shares); and
- (ii) all LCD Shares unconditionally issued pursuant to the valid exercise, on or prior to the close of the Offer, of any outstanding Options,

in each case, other than the LCD Shares which are owned, controlled or agreed to be acquired by the Offeror and the Relevant Concert Parties.

As at the Latest Practicable Date, there are 1,975,000 Options outstanding.

We note that the Offeror did not make any options proposal for the Options in connection with the Offer.

3.3 Rights and Encumbrances

The Offer Shares will be acquired:

- (i) fully paid;
- (ii) free from all claims, charges, liens, mortgages, encumbrances, hypothecation, retention of title, power of sale, equity, options, rights of pre-emption, rights of first refusal or other third party rights or interests of any nature whatsoever ("**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 all dividends, rights, other distributions and return of capital ("**Distributions**") (if any) which may be announced, declared, paid, or made by the Company on or after the Offer Announcement Date.

If any Distribution is announced, declared, paid or made by the Company on or after the Offer Announcement Date, and the Offeror is not entitled to receive such Distribution in full in respect of any Offer Share tendered in acceptance of the Offer, the Offeror shall reduce the Offer Price payable in respect of such Offer Share by the amount of such Distribution.

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Since the Offer Announcement Date and up to the Latest Practicable Date, we note that the Company has not made or declared any dividend, right, other distribution or return of capital.

3.4 Minimum Acceptance Condition

The Offer will be 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 the LCD Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and the Concert Parties, will result in the Offeror and the Concert Parties holding such number of LCD Shares carrying more than 50.0% of the voting rights attributable to all LCD Shares in issue (excluding treasury shares) as at the close of the Offer.

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 (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with the LCD Shares owned, controlled or agreed to be acquired before or during the Offer by or on behalf of the Offeror and the Concert Parties, will result in the Offeror and the Concert Parties holding such number of LCD Shares carrying more than 50.0% of the voting rights attributable to the maximum potential issued LCD Shares on the date of such declaration.

Save for the above condition, the Offer was unconditional in all other respects.

On 4 February 2015, DBS Bank had announced, for and on behalf of the Offeror, that the Offer had become unconditional in all respects as the Offeror and the Concert Parties had fulfilled the Minimum Acceptance Condition.

3.5 Irrevocable Undertakings

Certain Relevant Concert Parties, being Aspial, Mr Koh Wee Seng, Ms Ko Lee Meng and Madam Tan Su Lan, have provided irrevocable undertakings (“**Irrevocable Undertakings**”) to the Offeror that, *inter alia*, save as otherwise agreed with the Offeror, they shall not, during the Offer period, directly or indirectly, (i) offer, (ii) sell, transfer, give or otherwise dispose of, (iii) grant any option, right or warrant to purchase in respect of, (iv) charge, mortgage, pledge or otherwise encumber or (v) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the legal, beneficial or economic consequences of ownership of, all or any of their respective LCD Shares or any interest therein.

3.6 Warranty

A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to 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 Distributions (if any) which may be announced, declared, paid or made by the Company on or after the Offer Announcement Date.

3.7 Duration of the Offer

The information on the duration of the Offer is set out in Appendix 1 to the Offer Document, which is reproduced below:

“1. DURATION OF THE OFFER

1.1 First Closing Date. *The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder. Accordingly, the Offer will close at 5.30 p.m. on 26 February 2015 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.*

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- 1.2 Subsequent Closing Date(s).** *If the Offer is extended and:*
- 1.2.1** *is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next Closing Date; and*
- 1.2.2** *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 at least 14 days' prior notice in writing before it may close the Offer.*
- 1.3 No Obligation to Extend Offer.** *The Offeror is not obliged to extend the Offer if the acceptance condition specified in Section 2.5 of the Letter to Shareholders in this Offer Document is not fulfilled by the Closing Date.*
- 1.4 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 ("**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 day's notice in writing ("**Shut-Off Notice**") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:*
- 1.4.1** *the Offeror may not give a Shut-Off Notice in a competitive situation; and*
- 1.4.2** *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 4.2 of this Appendix 1, 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.*
- 1.5 Final Day Rule.** *The Offer (whether revised or not) will not be capable:*
- 1.5.1** *of becoming or being declared unconditional as to acceptances after 5.30 p.m. on the 60th day after the Despatch Date; or*
- 1.5.2** *of being kept open after 5.30 p.m. on the 60th day after the Despatch Date 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 SIC's prior consent ("**Final Day Rule**").*
- 1.6 Revision.** *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 who had previously accepted the Offer."*

Following the declaration that the Offer had become unconditional in all respects, DBS Bank had announced on 4 February 2015 that pursuant to Rule 22.6 of the Code, the Offer will remain open for acceptance until **5.30 p.m. (Singapore time) on 12 March 2015**, being 14 days after 26 February 2015, or such later date(s) as may be announced from time to time by or on behalf of the Offeror ("**Closing Date**").

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3.8 Further details of the Offer

Further details of the Offer, including details on (i) the settlement of the consideration for the Offer; (ii) the requirements relating to the announcement of the level of acceptances of the Offer; and (iii) the right of withdrawal of acceptances; and (iv) procedures for acceptance of the Offer are set out in Appendices 1 and 2 of the Offer Document.

4. INFORMATION ON THE OFFEROR AND ITS CONCERT PARTIES

The information set out below on the Offeror and its Concert Parties are sourced from the Offer Document and/or publicly available information.

Offeror

The Offeror is a private company incorporated in Singapore on 9 July 2014. Its principal activity is that of investment holding. As at the Offer Announcement Date, the Offeror has an issued and paid-up share capital of S\$10,000,000 divided into 10,000,000 ordinary shares. The directors of the Offeror are Mr Koh Wee Seng and Mr Koh Wee Meng.

The shareholders of the Offeror are Aspial and Fragrance Group Limited (“**Fragrance**”), each holding 50.0% of the issued shares of the Offeror (“**Consortium Members**”).

In connection with the Offer, the Consortium members have entered into a joint venture agreement with the Offeror (“**Joint Venture Agreement**”), pursuant to which each of Aspial and Fragrance has a right, under the Joint Venture Agreement, to appoint a director to the board of the Offeror. All resolutions of the board of the Offeror require the unanimous approval of the board and all shareholder resolutions of the Offeror must be approved by each of Aspial and Fragrance.

Aspial

Aspial is a public company incorporated in Singapore on 12 November 1970 and listed on the SGX-ST in June 1999. Aspial is an investment holding company that operates through its subsidiaries and has three core businesses, namely, property development, jewellery and financial services.

As at the Latest Practicable Date, Aspial has a market capitalisation of approximately S\$741.2 million.

The directors of Aspial are Mr Koh Wee Seng (Chief Executive Officer), Ms Ko Lee Meng (Executive Director), Ms Koh Lee Hwee (Non-Executive Director), Mr Wong Soon Yum (Independent Director), Mr Kau Jee Chu (Independent Director) and Ms Ng Bie Tjin @ Djuniarti Intan (Independent Director).

MLHS Holdings Pte Ltd (“**MLHS**”) is the controlling shareholder of Aspial. Three of the controlling shareholders of MLHS, namely Mr Koh Wee Seng and his sisters, Ms Ko Lee Meng and Ms Koh Lee Hwee, directly hold shares in Aspial and are also deemed interested in the shares in Aspial held by MLHS by virtue of Section 7 of the Companies Act, Chapter 50 of Singapore. As such, Mr Koh Wee Seng, Ms Ko Lee Meng and Ms Koh Lee Hwee are the controlling shareholders of Aspial.

Fragrance

Fragrance is a public company incorporated in Singapore on 28 July 2000 and listed on the SGX-ST in February 2005. The core business activities of the Fragrance group are the development and sale of residential, commercial and industrial properties, and the ownership and management of hotels.

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As at the Latest Practicable Date, Fragrance has a market capitalisation of approximately S\$1.5 billion.

The directors of Fragrance are Mr Koh Wee Meng (Executive Chairman and Chief Executive Officer), Ms Lim Wan Looi (Executive Director), Mr Periakaruppan Aravindan (Executive Director), Mr Teo Cheng Kuang (Independent Director), Mr Watt Kum Kuan (Independent Director) and Mr Leow Chung Chong Yam Soon (Independent Director). Mr Koh Wee Meng is the brother of Mr Koh Wee Seng and is also the controlling shareholder of Fragrance, holding direct and deemed interests of approximately 84.9% in the issued shares of Fragrance.

Relevant Concert Parties

The Offer is made for the LCD Shares other than those LCD Shares already owned, controlled or agreed to be acquired by the Offeror and the Relevant Concert Parties.

The Relevant Concert Parties comprise:

- (i) Aspial, a 50% shareholder of the Offeror;
- (ii) Fragrance, a 50% shareholder of the Offeror;
- (iii) Mr Koh Wee Seng, a director of Aspial and the Offeror;
- (iv) Mr Koh Wee Meng, the brother of Mr Koh Wee Seng and a director of Fragrance and the Offeror;
- (v) Madam Tan Su Lan, the mother of Mr Koh Wee Seng and Mr Koh Wee Meng;
- (vi) Ms Ko Lee Meng, the sister of Mr Koh Wee Seng and Mr Koh Wee Meng, and a director of Aspial; and
- (vii) Ms Koh Lee Hwee, the sister of Mr Koh Wee Seng and Mr Koh Wee Meng, and a director of Aspial.

As disclosed in the Offer Document, as at 22 January 2015, the Relevant Concert Parties own, in aggregate, 308,696,000 LCD Shares, representing approximately 29.3% of the total number of issued LCD Shares, and the Offeror owns 6,176,000 LCD Shares, representing approximately 0.6% of the total number of issued LCD Shares. The Offer is therefore made for all the remaining LCD Shares including the following deemed Concert Parties who own, in aggregate, 130,000 LCD Shares:

- (a) Mr Kau Jee Chu's daughter, Ms Kau Chung Ping, has a direct interest in 30,000 LCD Shares, representing 0.003% of the total number of issued LCD Shares. Mr Kau Jee Chu is a director of Aspial and Ms Kau Chung Ping is presumed to be a Concert Party under the Code; and
- (b) Mr Periakaruppan Aravindan, who is a director of Fragrance, has a direct interest in 100,000 LCD Shares, representing 0.009% of the total number of issued LCD Shares.

As disclosed in the Offer Document, as at 22 January 2015, the Offeror and its Concert Parties own, control or have agreed to acquire 315,002,000 LCD Shares, representing approximately 29.9% of the total number of issued LCD Shares.

As at 5.00 p.m. on 3 February 2015, the Offeror had received valid acceptances of the Offer in respect of 312,606,976 Offer Shares. Accordingly, as at 5.00 p.m. on 3 February 2015, the Offeror and the Concert Parties owned, controlled, have acquired or agreed to acquire an aggregate of 627,608,976 LCD Shares, representing approximately 59.6% of the total number of issued LCD Shares as at 3 February 2015.

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Please refer to Section 7, Appendices 3 and 5 of the Offer Document for more information on the Offeror and its Concert Parties, and the announcement by DBS Bank, for and on behalf of the Offeror, on 4 February 2015 in relation to the Offer becoming unconditional as to acceptances.

5. INFORMATION ON THE COMPANY AND THE GROUP

The Company was incorporated in Singapore on 14 June 1973. The Company is listed on the Main Board of the SGX-ST. The Company changed its name from “L.C. Development Ltd” to “LCD Global Investments Ltd.” with effect from 30 October 2013.

The Group has, over the years, evolved from property development and property management activities to focus on hospitality and investment holdings. Currently, the Group has a presence in Asia and the United Kingdom, and its portfolio of businesses includes high-end hotels and resorts, serviced residences and real estate consultancy. The Group is currently developing an integrated lifestyle development in Xuzhou City, Jiangsu Province, the People’s Republic of China (“**PRC**”).

As at the Latest Practicable Date, the Company has 1,053,664,464 LCD Shares in issue (excluding 672,000 treasury shares) and 1,975,000 outstanding Options which may be exercisable into an equivalent number of LCD Shares. As at the Latest Practicable Date, there are no outstanding share awards granted under the LCD Performance Share Award Scheme.

Based on the Offer Price of S\$0.33 and the number of issued LCD Shares as at the Latest Practicable Date, the implied market capitalisation of the Company is approximately S\$347.71 million.

Additional information on the Company and the Group is set out in Section 8 and Appendix 4 of the Offer Document and Appendix II to the Circular.

6. RATIONALE FOR THE OFFER AND THE OFFEROR’S INTENTIONS IN RELATION TO THE COMPANY

The full text of the rationale for the Offer and the Offeror’s intentions in relation to the Company are set out in Sections 9 and 10 of the Offer Document.

We wish to highlight the following as extracted from the Offer Document with respect to the Offeror’s intention on the listing status of the Company and the dissenting Shareholders’ right to Section 215(3) of the Companies Act:

“10.2 Listing Status of LCD. Pursuant to Rule 1105 of the Listing Manual, in the event that the Offeror and its Concert Parties should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the total number of issued LCD Shares (excluding treasury shares), the SGX-ST may suspend the listing of the LCD Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of issued LCD Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Pursuant to Rule 1303(1) of the Listing Manual, where the Offer succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued LCD Shares (excluding treasury shares), thus causing the percentage of the total number of issued LCD Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend trading of the LCD Shares at the close of the Offer.

In addition, pursuant to Rule 723 of the Listing Manual, LCD must ensure that at least 10 per cent. of the total number of issued LCD Shares (excluding treasury shares) is at all times held in public hands (the “Free Float Requirement”). Pursuant to Rule 724(1) of the Listing Manual, if the percentage of the total number of issued LCD Shares (excluding treasury shares) held in public hands falls below 10 per cent., LCD

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must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the LCD Shares on the SGX-ST. Pursuant to Rule 724(2) of the Listing Manual, the SGX-ST may allow LCD a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of the total number of issued LCD Shares (excluding treasury shares) held by members of the public to at least 10 per cent., failing which LCD may be delisted from the SGX-ST.

It is the present intention of the Offeror to maintain the listing status of LCD on the SGX-ST following the completion of the Offer. However, in the event the Free Float Requirement is not satisfied at the close of the Offer, the Offeror reserves the right to re-evaluate its position, taking into account, inter alia, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.

- 10.3** ***No Compulsory Acquisition and Dissenting Shareholders' Rights.*** *Section 215(1) of the Companies Act provides that where there is a scheme to acquire all of the shares or all of the shares in any particular class in a company, and the offeror receives valid acceptances (or acquires such number of such shares during the offer period otherwise than through valid acceptances of the offer) which in aggregate represent not less than 90 per cent. of the total number of the shares (excluding treasury shares) or of the shares of that class as at the closing date of the offer (other than those already held by the offeror, its related corporations or their respective nominees as at the date of the offer), the offeror would be entitled to compulsorily acquire all the shares from those shareholders who have not accepted the offer as at the closing date of the offer. In such a case, shareholders who have not accepted the offer as at the closing date of the offer would also have the right under and subject to Section 215(3) of the Companies Act, to require the offeror to acquire their shares in the event that the offeror, its related corporations or their respective nominees acquire, pursuant to the offer or otherwise, such number of shares which, together with the shares held by the offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of shares in the offeree company.*

However, as disclosed in Section 2.2 of the Letter to Shareholders in this Offer Document above, the Offer will not be extended to LCD Shares which are already owned, controlled or agreed to be acquired by the Relevant Concert Parties. As the Relevant Concert Parties include persons other than the Offeror and its related corporations (or their respective nominees), the requirements of Section 215(1) of the Companies Act will not be satisfied in relation to the Offer and the Offeror will not be entitled to compulsorily acquire the remaining LCD Shares under Section 215(1) of the Companies Act. Similarly, Shareholders who do not accept the Offer will not be able to require the Offeror to acquire their LCD Shares under Section 215(3) of the Companies Act."

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7. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In evaluating and assessing the financial terms of the Offer, we have taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

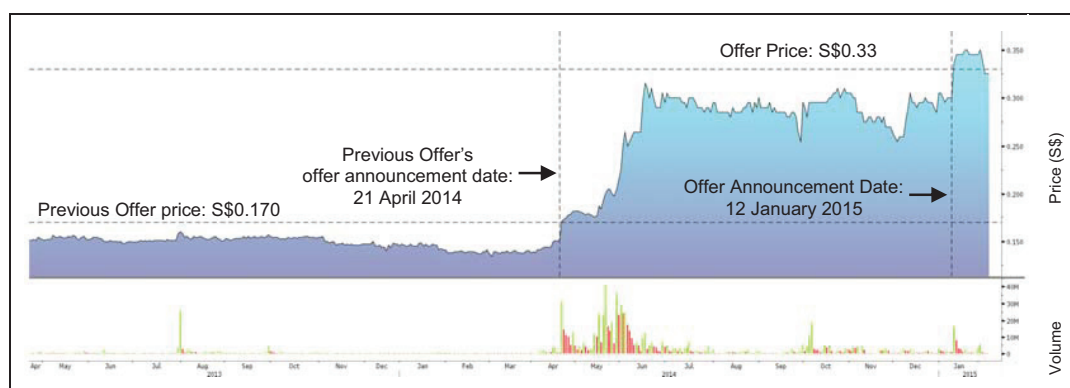
- (a) Market quotation and trading activity of the LCD Shares;
- (b) Financial performance of the Group;
- (c) Net asset value of the Group;
- (d) Comparison with recently completed non-privatisation take-over offers of companies listed on the SGX-ST and SGX-Catalist;
- (e) Comparison of valuation ratios of selected companies listed on the SGX-ST and SGX-Catalist which are broadly comparable with the Group;
- (f) Dividend track record of the Company; and
- (g) Other relevant considerations in relation to the Offer which may have a significant bearing on our assessment.

7.1 Market quotation and trading activity of the LCD Shares

Share Price Chart

In view of the recent developments on the Company as outlined in paragraph 1.1 of this Letter, for the purpose of evaluating the Offer Price against the historical market share price trend of the LCD Shares, we have reviewed in a broader perspective the historical share price performance and trading volume of the LCD Shares for the last approximately 21 months, commencing from 22 April 2013, being the 1-year period prior to the offer announcement date of the Previous Offer and up to the Latest Practicable Date:

**Price movement and traded volume of the LCD Shares
from 22 April 2013 to the Latest Practicable Date**



Source: Bloomberg L.P.

Overview

As can be observed in the chart above, during the one-year period prior to the announcement of the Previous Offer, the LCD Shares were traded at below the offer price of S\$0.170 of the Previous Offer and trading liquidity on the counter then was low at an average daily trading volume of 497,000 LCD Shares.

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Since the announcement of the Previous Offer to the Offer Announcement Date, LCD Shares were traded at substantially higher prices of up to S\$0.325 and average daily trading volume had also increased substantially to an average daily trading volume of 4.24 million LCD Shares during this period.

The above share price trend and trading liquidity were in part due to the recent developments on the Company as outlined in paragraph 1.1 of this Letter, that is, the accumulation of LCD Shares by Mr Koh Wee Seng and his related parties, the sale of a controlling block of LCD Shares from the Lum Family to JTrust at S\$0.30 per LCD Share and eventually the Offer being made by the Offeror at S\$0.33 per LCD Share, of which Mr Koh Wee Seng and his related parties are Concert Parties.

Since the Offer Announcement Date to 3 February 2015, LCD Shares have traded at prices of between S\$0.335 and S\$0.355. Following the announcement of the acceptance of the Offer by JTrust after trading hours on 3 February 2015 and the declaration that the Offer had become unconditional before trading hours on 4 February 2015, the LCD Shares have been traded at prices of between S\$0.325 and S\$0.330 up to the Latest Practicable Date.

The Offer Price as a premium / (discount) above / (to) the LCD Share prices at the relevant benchmarks are tabled below for your reference:

	LCD Share price (S\$)	Offer Price as a premium/(discount) above/(to) the LCD Share price (%)
VWAP for the one-year period prior to the announcement of the Previous Offer	0.153	115.7
Offer price of the Previous Offer	0.170	94.1
Selling price of controlling block of LCD Shares by the Lum Family to JTrust	0.300	10.0
Last transacted price as at 3 February 2015	0.340	(2.9)
Last transacted price as at the Latest Practicable Date	0.325	1.5

Market Statistics

In addition to the share price chart above, we have tabulated below selected statistical information on the share price performance and trading liquidity of the LCD Shares from 10 January 2014 (being the 1-year period prior to the Offer Announcement Date) and up to the Latest Practicable Date. We note that the LCD Shares were halted from trading from 12 January 2015 to 14 January 2015, and the last trading day prior to the release of the Offer Announcement was 9 January 2015.

Reference period	Highest traded price (S\$)	Lowest traded price (S\$)	VWAP ⁽¹⁾ (S\$)	Premium / (Discount) of Offer Price over/(to) VWAP (%)	Number of traded days ⁽²⁾	Average daily trading volume ⁽³⁾ ('000)	Average daily trading volume as a percentage of free float ⁽⁴⁾ (%)
<u>Prior to Offer Announcement Date</u>							
Last 1 year	0.325	0.134	0.234	41.0	246	3,175	0.60
Last 6 months	0.310	0.245	0.291	13.4	124	1,588	0.30
Last 3 months	0.310	0.250	0.291	13.4	62	1,498	0.28
Last 1 month	0.305	0.275	0.296	11.5	21	1,087	0.21

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Reference period	Highest traded price (S\$)	Lowest traded price (S\$)	VWAP ⁽¹⁾ (S\$)	Premium / (Discount) of Offer Price over/(to) VWAP (%)	Number of traded days ⁽²⁾	Average daily trading volume ⁽³⁾ (‘000)	Average daily trading volume as a percentage of free float ⁽⁴⁾ (%)
9 January 2015 (last trading day prior to the Offer Announcement Date)	0.300	0.300	0.300	10.0	1	876	0.17
After the Offer Announcement Date							
From 15 January 2015 to 3 February 2015 (last trading day prior to the Offer becoming unconditional)	0.355	0.335	0.342	(3.4)	14	3,302	0.63
4 February 2015 to the Latest Practicable Date	0.330	0.325	0.325	1.4	3	196	0.04
Latest Practicable Date	0.330	0.325	0.325	1.4	1	82.3	0.02

Source: Bloomberg L.P.

Notes:

- (1) The volume-weighted average price (“VWAP”) for the respective periods are calculated based on the daily VWAP turnover divided by VWAP volume as extracted from Bloomberg L.P.. Off market transactions are excluded from the calculation;
- (2) Traded days refer to the number of days on which the LCD Shares were traded on the SGX-ST during the period;
- (3) The average daily trading volume of the LCD Shares is computed based on the total volume of LCD Shares traded on the SGX-ST (excluding off market transactions) during the relevant periods, divided by the number of market trading days (excluding market trading days with full day trading halts) during that period; and
- (4) Free float refers to the LCD Shares other than those directly and deemed held by the Directors and substantial Shareholders of the Company. For the purpose of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 526.12 million LCD Shares based on the free float of 49.98% as disclosed in the Company’s addendum to the annual report for the financial year ended 30 June 2014.

We observe the following with regard to the LCD Share price performance from 10 January 2014 (being the 1-year period prior to the Offer Announcement Date) and up to the Latest Practicable Date:

- (a) Over the 1-year period prior to the Offer Announcement Date, the LCD Shares had traded between a low of S\$0.134 and a high of S\$0.325. The Offer Price represents a premium of S\$0.196 (or 146.3%) above the lowest transacted price and a premium of S\$0.005 (or 1.5%) above the highest transacted price of the LCD Shares. The LCD Shares had traded below the Offer Price during the entire 1-year period prior to the Offer Announcement Date;
- (b) The Offer Price represents premia of approximately 41.0%, 13.4%, 13.4% and 11.5% above the VWAP of the LCD Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date, respectively;
- (c) The Offer Price represents a premium of approximately 10.0% above the last transacted price of the LCD Shares of S\$0.300 on 9 January 2015, being the day when the LCD Shares were last traded prior to the Offer Announcement Date, as the LCD Shares were halted from trading on 12 January 2015; and
- (d) Since 15 January 2015 (being the first trading day after the Offer Announcement) and up to 3 February 2015, the LCD Shares had traded above the Offer Price at between

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S\$0.335 and S\$0.355. The Offer appears to have served as a catalyst for the LCD Shares to move to these price levels.

- (e) Following the announcement that JTrust had accepted the Offer and the Offer had become unconditional as to acceptances, the LCD Shares had traded below the Offer Price up to the Latest Practicable Date. As at the Latest Practicable Date, the LCD Shares were last transacted at S\$0.325. The Offer Price therefore represents a premium of approximately 1.5% above the last transacted share price as at the Latest Practicable Date.

We observe the following with regard to the trading liquidity of the LCD Shares:

- (i) Over the 1-year period prior to the Offer Announcement Date, the LCD Shares were traded almost daily throughout the period. However, the trading liquidity is considered low. For the 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date, the average daily trading volume of the LCD Shares represented only 0.60%, 0.30%, 0.28% and 0.21% of the free float of the LCD Shares for the respective periods.

The average daily trading volume of the LCD Shares of 3.18 million for the 1-year period prior to the Offer Announcement Date was much higher when compared to the average daily trading volume of 497,000 for the 1-year period prior to the announcement of the Previous Offer.

We note that the average daily trading volume of the LCD Shares for the 1-year period prior to the Offer Announcement Date was much higher compared to the average daily trading volume of the LCD Shares for the corresponding 6-month, 3-month and 1-month periods as bulk of the trading volume in the earlier period around April to June 2014 was attributable to the market share purchases by Mr Koh Wee Seng and his related parties.

As disclosed in Note 1 above, the above trading volume statistics exclude off-market transactions which therefore excludes the sale and purchase of the LCD Shares between the Lum Family and JTrust;

- (ii) During the period immediately following the Offer Announcement Date and up to 3 February 2015 (that is, prior to the Offer becoming unconditional as to acceptances), the average daily trading volume of the LCD Shares increased significantly as compared to the 1-month, 3-month and 6-month periods prior to the Offer Announcement Date, with the average daily trading volume increasing to 3.30 million LCD Shares or 0.63% of the free float of the LCD Shares;
- (iii) From 4 February 2015 to the Latest Practicable Date, the average daily trading volume of the LCD Shares had decreased substantially to approximately 196,000 LCD Shares or 0.04% of the free float of the LCD Shares; and
- (iv) We note that since Mr Koh Wee Seng became a substantial shareholder of the Company on 29 May 2014 and up till the Offer Announcement Date, Mr Koh Wee Seng and his related parties had made share purchases which accounted for a significant proportion of the trading volume of the LCD Shares during the above period.

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7.2 Financial performance of the Group

We set out below a summary of the audited profit and loss statements of the Group for the last three financial years ended 30 June 2012 (“FY2012”), 30 June 2013 (“FY2013”) and 30 June 2014 (“FY2014”), and the latest available unaudited interim profit and loss statements for the half year period ended 31 December 2014 (“6M2015”) with the corresponding half year ended 31 December 2013 (“6M2014”):

S\$'000	← FY2012 (restated)	Audited FY2013	FY2014	← Unaudited 6M2014	→ 6M2015
Revenue	59,830	57,770	55,499	27,624	26,618
Operating profit / (loss)	4,196	5,897	(9,085)	1,359	(733)
Share of results of associated and joint venture companies	(925)	1,494	1,835	1,331	10,886
Exceptional items	78,108	4,123	-	-	(357)
Profit / (loss) attributable to Shareholders of the Company	72,573	1,391	(14,374)	(900)	6,655

Source: The Company's annual reports for FY2013, FY2014 and the Company's announcement relating to the unaudited financial results for 6M2015

Review of Operating Results

FY2013 vs. FY2012

Revenue for the Group decreased by S\$2.06 million (or 3.4%) from S\$59.83 million in FY2012 to S\$57.77 million in FY2013, due mainly to a fall in revenue of Holiday Inn Resort Phuket as rooms in its main wing were closed for refurbishment and there was a drop in revenue of the Group's Leisure and Others segment.

Operating profit for the Group, however, increased by S\$1.70 million (or 40.5%) from S\$4.20 million in FY2012 to S\$5.90 million in FY2013, due mainly to the recognition of a final distribution and the settlement sum for transferring its interest in the Holiday Inn City Centre Guangzhou hotel to its Chinese partner on the expiry of the lease in December 2012, and lower losses in its Leisure and Others segment.

Profit attributable to Shareholders of the Company decreased by S\$71.18 million (or 98.1%) from S\$72.57 million in FY2012 to S\$1.39 million in FY2013, due mainly to the absence of the exceptional gain recognised upon the sale of the joint venture company which owned the Crowne Plaza Changi Airport hotel. This drop was partially offset by an exceptional profit amounting to S\$4.12 million from the sale of eight parcels of freehold land in Phuket, Thailand and a higher share of results from the Group's associated and joint venture companies, particularly Knight Frank Pte. Ltd. and its subsidiaries (“**Knight Frank Group**”). The Group recognised a profit of S\$1.49 million from the associated and joint venture companies compared to a share of loss of S\$0.93 million in FY2012.

FY2014 vs. FY2013

Revenue for the Group decreased by S\$2.27 million (or 3.9%) from S\$57.77 million in FY2013 to S\$55.50 million in FY2014, due mainly to lower revenue generated from Holiday Inn Resort Phuket as rooms in its main wing were closed for refurbishment, weaker foreign exchange rate of Thai Baht against the Singapore Dollar and significantly lower revenue from the Leisure and

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Others segment where revenue of its family entertainment business had declined due to the closure of three outlets in FY2014.

Operating profit for the Group of S\$5.90 million in FY2013 turned into an operating loss of S\$9.09 million due mainly to: (i) a write-down, in accordance with Financial Reporting Standard 36 'Impairment of Assets', of certain capitalised costs amounting to S\$9.52 million in relation to the original design and concept of InterContinental Phuket Rawai which were no longer relevant and in line with the revised plans for the project; (ii) lower profits derived from the Holiday Inn Resort Phuket; and (iii) the absence of the gain on disposal of its interest in the Holiday Inn City Centre Guangzhou hotel.

Profit attributable to Shareholders of the Company of S\$1.39 million in FY2013 therefore turned into a loss of S\$14.37 million in FY2014 due mainly to the reasons mentioned in the above paragraph as well as the absence of the gain on sale of the eight parcels of freehold land in Phuket which had occurred in FY2013.

6M2015 vs. 6M2014

Revenue for the Group for 6M2015 decreased by S\$1.00 million (or 3.6%), from S\$27.62 million in 6M2014 to S\$26.62 million in 6M2015. The decrease was due mainly to lower revenue contribution from the Group's family entertainment business due to the closure of three outlets in April 2014 and a drop in its business.

The Group suffered an operating loss of S\$0.73 million in 6M2015 compared to an operating profit of S\$1.36 million in 6M2014 due mainly to the higher administrative expenses arising from higher directors' remuneration due to the payment of contractual retirement benefits in the first quarter of FY2015.

The Group, however, recorded a substantial increase from the share of results of associated and joint venture companies of S\$9.56 million (or 717.9%), from S\$1.33 million in 6M2014 to S\$10.89 million in 6M2015 due mainly to the recognition of the share of profits from the Group's joint venture company in Xuzhou, PRC. The joint venture had obtained approval to hand over the apartment units of Phase I of its residential development to the buyers on 7 November 2014; and had recognised the profit in respect of 463 apartment units handed over to the buyers in the second quarter of FY2015.

As a result, the Group recorded a profit attributable to Shareholders of the Company of S\$6.66 million in 6M2015 as compared to a loss attributable to Shareholders of the Company of S\$0.90 million in 6M2014.

Historical Price-earnings Ratio ("PER") implied by the Offer Price

PER illustrates the valuation ratio of the current market value of a company's shares relative to its consolidated basic earnings per share as stated in its financial statements. The PER is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. The historical PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern.

We note that the Group's financial performance has generally been weak and has been on a declining trend in the past three financial years. The Group had recognised a large exceptional gain in FY2012 when the Group sold its interest in the Crowne Plaza Changi Airport hotel and another exceptional gain in FY2013 due to the profit from the sale of eight parcels of freehold land in Phuket, Thailand. If not for these exceptional gains, the Group would have reported losses attributable to Shareholders of the Company in FY2012 and FY2013, resulting in losses attributable to Shareholders of the Company for the last three financial years. In FY2014, the Group had a one-off write-down of certain capitalised costs in relation to its InterContinental Phuket Rawai project classified under other operating expenses. Even after excluding the above one-off write-down, the Group would still have reported a loss, albeit a smaller loss, for FY2014.

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Although the Group had recorded a significant turnaround in profit attributable to Shareholders of the Company of S\$6.66 million for 6M2015, we note that the reported profit for 6M2015 was due mainly to the recognition of share of results of its joint venture company in Xuzhou arising from the joint venture company's recognition of profit on previously sold apartment units following the receipt of the approval to hand over the units to the buyers. The bulk of the residential units are unsold and the property market in the PRC, particularly in third tier cities like Xuzhou, currently remains weak with little or no sign of improvement in the short term. Main construction works of the commercial and hotel components of this mixed use development have not commenced.

Notwithstanding the profit for 6M2015, for the trailing 12-month period from 1 January 2014 to 31 December 2014, the Group would have incurred a loss attributable to Shareholders of the Company of S\$6.82 million.

As such, evaluation of the Offer Price based on the implied PER of the Group is not meaningful.

7.3 Net asset value of the Group

Based on the Group's latest published financial statements for 6M2015, the unaudited financial position of the Group as at 31 December 2014 is set out below:

S\$'000	Unaudited As at 31 December 2014
<u>Non-current assets</u>	
Property, plant and equipment	297,253
Investment property	8,764
Intangible assets	155
Associated companies	1,572
Joint venture companies	83,751
Investment securities	5,061
Prepayments	1,599
Deferred tax assets	88
	398,243
<u>Current assets</u>	
Investment securities	202
Inventories	548
Trade receivables	1,653
Other receivables	1,322
Prepayments	737
Cash and short-term deposits	30,548
	35,010
Total assets	433,253
<u>Current liabilities</u>	
Provision	56
Trade payables	2,326
Other payables and accruals	8,427
Provision for taxation	869
Hire purchase creditors	83
Term loans	16,782
	28,543
<u>Non-current liabilities</u>	
Provision	43
Hire purchase creditors	165
Term loans	37,606
Deferred tax liabilities	25,948
	63,762
Total liabilities	92,305
Net assets	340,948

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S\$'000	Unaudited As at 31 December 2014
Equity attributable to shareholders of the Company	285,784
Non-controlling interests	55,164
Total equity	340,948
Net asset value of the Group (“NAV”)	285,784
Net tangible asset of the Group (“NTA”)	285,653
Number of issued LCD Shares as at 31 December 2014	1,053,414,464
NAV / NTA per LCD Share	S\$0.271

Source: The Company’s announcement on the unaudited financial results of the Group for 6M2015

As at 31 December 2014, the unaudited NAV of the Group approximates the NTA of the Group as the intangible assets were insignificant. Based on the number of issued LCD Shares outstanding as at 31 December 2014, the NAV / NTA per LCD Share is S\$0.271.

Analysis of the assets of the Group

The assets of the Group as at 31 December 2014 comprised mainly property, plant and equipment of S\$297.25 million, joint venture companies of S\$83.75 million and cash and short term deposits of S\$30.55 million, which accounted for approximately 68.6%, 19.3% and 7.1% of the total assets of the Group respectively.

Investment property of the Group of S\$8.76 million as at 31 December 2014 is not significant, accounting for approximately 2.0% of total assets of the Group as at 31 December 2014. The investment property is accounted for at cost less accumulated depreciation and accumulated impairment losses. The Group has only one investment property, that is, a residential apartment located in London (“**NEO Bankside**”) for which the Group had appointed sales agents to market the unit to prospective buyers. In connection with the Previous Offer, we have taken into account the revaluation surplus of S\$2.25 million above the net book value of NEO Bankside as at 31 March 2014 in computing the revalued NTA of the Group then. As an update, we understand from Management that the market value of NEO Bankside has since softened and the net book value of NEO Bankside as at 31 December 2014 approximates the current market value of the property.

Property, plant and equipment

Property, plant and equipment consist of mainly freehold land, freehold buildings and building improvements, and leasehold land and buildings. These assets relate mainly to the Group’s following hotels and serviced apartments (“**Hotels**”):

- (a) Crowne Plaza London, a 162-room hotel in London, United Kingdom, on freehold land;
- (b) Holiday Inn Resort Phuket, a 398-room hotel in Phuket, Thailand, on freehold land;
- (c) Somerset Vientiane (formerly known as Parkview Executive Suites), a 116-unit serviced residence in Vientiane, Lao People’s Democratic Republic, on 40 years lease from 7 November 1994;
- (d) Cityview Apartments, a 67-unit serviced residence with 34 office units, a minimart and two shops in Ho Chi Minh City, Vietnam, on 40 years lease from 1 March 1995; and
- (e) InterContinental Phuket Rawai, a resort hotel (under review for redevelopment) in Phuket, Thailand, on freehold land.

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The Hotels are stated at cost or valuation less accumulated depreciation and any accumulated impairment losses in the Group's financial statements in accordance with the Group's accounting policy. As disclosed in the FY2014 Annual Report, the Hotels were revalued by various independent valuers on 31 March 2014 to determine their fair values. The revaluation exercise was undertaken in connection with the Previous Offer.

In connection with the current Offer, the Company had commissioned the Valuers to carry out a revaluation of the Hotels as at 31 December 2014. We have been furnished with the Valuation Summary Letters. Copies of the Valuation Summary Letters are attached as Appendix VII to the Circular.

Pursuant to the Valuation Summary Letters, we note that the Valuers had performed the revaluation of the Hotels using similar valuation methodologies as the previous valuation exercise done on 31 March 2014, including the sales comparison, income and cost approaches, the land residual technique and the income / investment method.

The fair values of the Hotels have been incorporated into the 6M2015 results, resulting in a net surplus on revaluation of S\$9.55 million. The aggregate net book value of the Hotels as at 31 December 2014 was S\$295.47 million and this reflects the fair values of the Hotels as at 31 December 2014. The Group had also recorded the relevant deferred tax liabilities in relation to the above revaluation exercise amounting to S\$2.30 million in the 6M2015 results.

Joint venture companies

Joint venture companies are accounted for using the equity method, where the investments in these joint venture companies are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets in these joint venture companies. The Group has the following joint venture companies, namely:

- (a) Xuzhou YinJian LumChang Real Estate Development Co., Ltd, a company incorporated in the PRC and engaged in property development and investment. The Group has a 55.0% equity interest in this entity;
- (b) Xuzhou RE Sales Co., Ltd, a company incorporated in the PRC and engaged in real estate agency. The Group has a 55.0% equity interest in this entity; and
- (c) Knight Frank Pte Ltd, a company incorporated in Singapore, and together with its subsidiaries, are engaged as valuers, auctioneers, estate agents, property consultants and also provide mall and car park management services. The Group has a 44.0% equity interest in Knight Frank Pte Ltd.

We understand that the Group has consistently applied the accounting measurement basis in arriving at the carrying value of the joint venture companies in Xuzhou. As at 31 December 2014, the Group had recognised its share of profit of the residential units sold and handed over to buyers. The bulk of the residential units are unsold and the property market in the PRC, particularly in third tier cities like Xuzhou, currently remains weak with little or no sign of improvement in the short term. Main construction works of the commercial and hotel components of this mixed use development have not commenced.

On 4 February 2015, the Company announced that the seven individual shareholders of Cheong Hock Chye & Co. (Pte.) Ltd. ("**CHC**") had exercised their options to sell all their remaining shares in CHC, representing 20.0% of the issued and paid up voting share capital in CHC, to the Company for an aggregate consideration of S\$7.48 million which will be satisfied by the Company in cash from an existing revolving loan facility. Completion of the above acquisition by the Company is expected to take place on 11 February 2015.

With the above acquisition, the Group's effective equity interest in Knight Frank Pte Ltd will be increased from 44.0% to 55.0%.

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Arising from the above, based on the valuation of CHC as implied by the above purchase consideration, we understand from the Management that the implied valuation of the Group's existing equity interest in CHC is not materially different from its net book value as at 31 December 2014. As such, the above acquisition of the remaining 20.0% in CHC does not have any material impact on the NTA of the Group as at 31 December 2014.

Analysis of the liabilities of the Group

The liabilities of the Group as at 31 December 2014 comprised mainly bank borrowings of S\$54.39 million and deferred tax liabilities of S\$25.95 million, which accounted for approximately 58.9% and 28.1% of total liabilities of the Group respectively.

Most of the Group's bank borrowings are secured against: (i) mortgage on certain freehold land and buildings owned by the Group; (ii) fixed and floating charge over the assets of a company in the Group; and/or (iii) pledge of shares of certain companies in the Group.

The deferred tax liabilities arose mainly as a result of the revaluation of assets of the Group.

Proceeds from the exercise of Options

Since 31 December 2014 and up to the Latest Practicable Date, a total of 250,000 Options have been exercised into LCD Shares which were satisfied from the treasury shares. Total proceeds received from the exercise of these Options amounted to S\$36,250.

After taking into account the above exercise of Options, in view of the insignificant proceeds, the adjusted NTA of the Group remains similar to the NTA of the Group as at 31 December 2014. The number of issued LCD Shares after the exercise of the Options is 1,053,664,464, which is equivalent to the number of outstanding issued LCD Shares (excluding 672,000 treasury shares) as at the Latest Practicable Date.

Review of 6M2015 results under Rule 25 of the Code

Subsequent to the Offer Announcement Date, in relation to the Company's announcement of the Group's unaudited financial statements for 6M2015 on 6 February 2015, the Company's auditor, Ernst & Young LLP ("EY"), had prepared a report on the Company's 6M2015 results in accordance with Rule 25 of the Code. EY had reviewed the Company's condensed interim financial information for 6M2015 and had opined that, nothing had come to their attention that caused them to believe that the condensed interim financial information for 6M2015 were not prepared, in all material respects, in accordance with FRS 34, 'Interim Financial Reporting'. On our part, in accordance with Rule 25 of the Code, we are of the view that the Company's 6M2015 results had been prepared after due and careful enquiry by the Directors. Please refer to the letter from EY and our letter on the 6M2015 results as set out in Appendices V and VI respectively to the Circular.

Price-to-NTA ("P/NTA") ratio of the Group implied by the Offer Price

The NTA based valuation provides an estimate of the value of a company assuming the hypothetical sale of all its assets over a reasonable period of time and would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings based valuation.

We have evaluated the implied P/NTA ratio of the Group as ascribed by the Offer Price based on the latest unaudited NTA of the Group as at 31 December 2014. Based on the Offer Price of S\$0.33 and the 1,053,664,464 issued LCD Shares as at the Latest Practicable Date, the implied market capitalisation of the Company is approximately S\$347.71 million.

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Based on the Group's unaudited NTA of S\$285.65 million as at 31 December 2014, the Offer Price values the Group on a P/NTA ratio of approximately 1.22 times, that is, the Offer Price is at a premium of 21.7% above the NTA per LCD Share.

In our evaluation of the financial terms of the Offer, we have also considered whether there is any other asset which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the Group as at 31 December 2014, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NTA as at 31 December 2014.

In respect of the above, we have sought the following confirmation from the Board of Directors and the Management, and they have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief:

- (a) save as disclosed above, there are no material differences between the realisable values of the Group's assets and their respective book values as at 31 December 2014 which would have a material impact on the NTA of the Group;
- (b) other than that already provided for or disclosed in the Group's financial statements as at 31 December 2014, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NTA of the Group as at the Latest Practicable Date;
- (c) there is no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole;
- (d) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group; and
- (e) there are no material acquisitions or disposals of assets by the Group between 31 December 2014 and the Latest Practicable Date and the Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's business.

For the avoidance of doubt, we have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, real properties) of the Group. We are not experts in the evaluation or appraisal of the assets concerned and we have placed sole reliance on the Valuation Summary Letters for such asset appraisals and have not made any independent verification of the contents thereof.

The stated values of the freehold and leasehold land and buildings are based on the valuations performed by the Valuers. We do not assume any responsibility to inquire about the basis of such valuations or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements including Rule 26 of the Code.

7.4 Comparison with recently completed non-privatisation take-over offers of companies listed on the SGX-ST and SGX-Catalist

We note that the intention of the Offeror is to maintain the listing status of the Company on the Main Board of the SGX-ST, but it reserves the right to re-evaluate its position in the event the percentage of LCD Shares held in public hands falls below 10.0% and the SGX-ST suspends trading of the LCD Shares.

In assessing the reasonableness of the Offer Price in light of the above-stated intention of the Offeror, we have compared the financial terms of the Offer with those of selected recent non-privatisation take-over offers of companies listed on the SGX-ST and SGX-Catalist that

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were announced and completed since January 2013 and up to the Latest Practicable Date, and where the stated offerors' intentions were to preserve the listing status of the target companies ("**Precedent Non-privatisation Take-overs**").

This analysis serves as a general indication of the relevant premia / discounts that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out:

- (a) the premia or discounts represented by each of the respective offer prices to the last transacted prices and VWAPs prior to the announcement of the Precedent Non-privatisation Take-overs; and
- (b) the premium or discount represented by each of the respective offer prices to the NAV of the respective target companies. We note that certain Precedent Non-privatisation Take-overs had undertaken revaluations and/or adjustments to their assets which may have had a material impact on their latest announced book values. In this respect, we have compared the offer price with the revalued NAV ("**RNAV**"), revalued net tangible assets ("**NTA**") or adjusted NAV / NTA of the Precedent Non-privatisation Take-overs, where applicable.

We wish to highlight that the target companies listed in the Precedent Non-privatisation Take-overs as set out in the analysis below may not be directly comparable to the Group in terms of size of operations, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits. The premium or discount that an offeror pays in any particular non-privatisation 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 or absence of competing bids for the target company, and the existing and desired level of control in the target company. The list of the Precedent Non-privatisation Take-overs is by no means exhaustive and as such any comparison made only serves as an illustration. Conclusions drawn from the comparisons made may not necessarily reflect the perceived or implied market valuation of the Company.

Company name	Sector / Description	Date of announcement	Premium / (Discount) of Offer Price over / (to):			P/NAV ratio (times)
			Last transacted price prior to announcement (%)	VWAP for 1-month period prior to announcement (%)	VWAP for 3-month period prior to announcement (%)	
3Energy Limited (f.k.a. HSR Global Limited)	Real estate agency	4 Mar 13	21.4	21.4	6.1	1.8 ⁽¹⁾
Dynamic Colours Limited	Trading in colour pigments	4 Jun 13	2.8	19.0	28.8	0.7 ⁽²⁾
China Minzhong Food Corporation Limited	Integrated vegetable processing company	2 Sep 13	10.3	5.5	6.9	0.7
Singapore Windsor Holdings Limited	Manufacturing of high-end PCB punching moulds, die-casting and plastic injection mould bases	13 Sep 13	28.6	39.2	41.2	0.8
Singapore Medical Group Limited	Provision of multi-disciplinary	14 Oct 13	4.0	1.4	2.4	5.2 ⁽³⁾⁽⁴⁾

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Company name	Sector / Description	Date of announcement	Premium / (Discount) of Offer Price over / (to):			P/NAV ratio (times)
			Last transacted price prior to announcement (%)	VWAP for 1-month period prior to announcement (%)	VWAP for 3-month period prior to announcement (%)	
	specialist healthcare services across the fields of ophthalmology, aesthetic medicine, sports medicine and oncology					
Youyue International Limited	Manufacturing and selling of flexible packaging products	18 Nov 13	(34.2) ⁽³⁾	(34.2) ⁽³⁾	(19.5) ⁽³⁾	1.1
Boardroom Limited	Corporate and advisory services	22 Jan 14	(0.9)	2.7	(2.9)	1.7
Communication Design International Ltd	Outsourced marketing and communication	18 Feb 14	2.4	–	–	1.8 ⁽⁵⁾
Global Premium Hotels Limited	Development and operation of hotels	13 Mar 14	13.4	16.7	21.4	0.5 ⁽⁶⁾
Olam International Limited	Agri-business supplying food and industrial raw materials	14 Mar 14	11.8	24.3	33.0	1.8
Hotel Properties Limited	Property developer and hotelier	14 Apr 14	29.4	33.8	35.1	0.8 ⁽⁷⁾
LCD Global Investments Ltd. (Previous Offer)	Property developer and hotelier	21 Apr 14	11.8	16.4	18.1	0.6 ⁽⁸⁾
Kian Ho Bearings Limited	Stockists, distributors and retailers in bearings and seal products	4 Jun 14	(6.0)	9.0	10.5	0.7 ⁽⁹⁾

Maximum	29.4	39.2	41.2	5.2
Minimum	(34.2)	(34.2)	(19.5)	0.5
Mean	10.8	15.8	16.7	1.1
Median	11.1	16.6	14.3	0.8

The Company (implied by the Offer Price)	12 Jan 2015	10.0	11.5	13.4	1.22
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Source: SGX-ST announcements and circulars to shareholders in relation to the Precedent Non-privatisation Take-overs

Notes:

- (1) Based on the price-to-NTA ratio as extracted from the letter of the independent financial adviser of 3Cnergy Limited (formerly known as HSR Global Limited) on the offer;
- (2) Based on the price-to-revalued NTA ratio as extracted from the letter of the independent financial adviser of Dynamic Colours Limited on the offer;
- (3) Excluded as statistical outlier in the mean and median computations;

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- (4) Based on the price-to-NTA ratio as extracted from the letter of the independent financial adviser of Singapore Medical Group Limited on the offer;
- (5) Based on the price-to-revalued NAV ratio as extracted from the letter of the independent financial adviser of Communication Design International Ltd on the offer;
- (6) Based on the price-to-NAV of Global Premium Hotels Limited as at 31 December 2013 which already incorporated the fair value of the hotel properties owned by the company;
- (7) Based on the price-to-RNAV (on a gross development value basis) as extracted from the supplementary letter of the independent financial adviser of Hotel Properties Limited on the revised offer;
- (8) Based on the price-to-RNAV as extracted from the letter of the independent financial adviser of the Company on the Previous Offer; and
- (9) Based on the price-to-RNAV as extracted from the letter of the independent financial adviser of Kian Ho Bearings Limited on the offer.

Based on the above, we note that:

- (a) The premia implied by the Offer Price over the last transacted price, VWAP for 1-month period and 3-month period prior to the Offer Announcement Date are within the range and close to or below the mean and median of the corresponding premia of the Precedent Non-privatisation Take-overs. It is pertinent to note that the market price of the LCD Shares over the last three months prior to the Offer Announcement could have been influenced by the recent developments as set out in paragraph 1.1 of this Letter; and
- (b) The P/NTA ratio of 1.22 times as implied by the Offer Price is within range of the corresponding P/NAV ratios of the Precedent Non-privatisation Take-overs and higher than the mean and median of the corresponding P/NAV ratios of the Precedent Non-privatisation Take-overs.

Shareholders should note that the above comparison with the Precedent Non-privatisation Take-overs is purely for illustrative purposes only.

7.5 Comparison of valuation ratios of selected companies listed on the SGX-ST and SGX-Catalist which are broadly comparable with the Group

For the purpose of assessing the Offer Price, we have considered listed companies whose businesses are broadly comparable with the Group. As the Group is principally engaged in the hospitality industry, we have considered similar companies that are engaged in the hospitality industry, and which are also listed and traded on the SGX-ST and SGX-Catalist to be considered as broad proxies to the Group ("**Comparable Companies**"). For a more meaningful comparison, we have excluded companies with a market capitalisation of S\$1.0 billion and above.

We have had discussions with the Management about the suitability and reasonableness of the selected Comparable Companies acting as a basis for comparison with the Group. Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The accounting policies of the selected Comparable Companies with respect to the values for which the assets, revenue or cost are recorded may differ from that of the Group.

We wish to highlight that the selected Comparable Companies are not exhaustive and it should be noted that there may not be any listed company that is directly comparable to the Group in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of valuation statistics for the selected Comparable Companies. Therefore, any comparison made serves only as an illustrative guide.

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A brief description of the selected Comparable Companies, as extracted from Bloomberg L.P., is set out below:

Company name	Principal business
Hotel Grand Central Limited ("Hotel Grand Central")	Hotel Grand Central owns, operates and manages hotels. It also collects rent, develops properties and provides marketing and support services.
Far East Orchard Limited ("Far East Orchard")	Far East Orchard operates a diversified portfolio focusing on property development, hospitality real estate development and management and healthcare real estate. It also operates a hospitality portfolio and owns purpose-built medical suites in Singapore.
Bonvests Holdings Limited ("Bonvests")	Bonvests is an investment holding company whose subsidiaries develop real estate and operate waste collection, disposal and contract cleaning. It also develops and operates hotels locally and overseas, as well as operates food and beverage restaurants. Bonvests trades securities and rents properties as well.
Stamford Land Corporation Limited ("Stamford Land")	Stamford Land is an investment holding company. It owns and manages hotels and travel agencies. Stamford Land also develops and invests in properties.
Banyan Tree Holdings Limited ("Banyan Tree")	Banyan Tree owns and manages hotels. The company also operates spas, galleries, golf courses and invests in property. Banyan Tree offers design and project management services as well.
Global Premium Hotels Limited ("Global Premium Hotels")	Global Premium Hotels is engaged in the business of developing and operating economy-tier to mid-tier class of hotels.
Hotel Royal Limited ("Hotel Royal")	Hotel Royal owns and operates the Hotel Royal in Singapore. Through its subsidiaries, it also manages and invests in properties in Malaysia and New Zealand.
Amara Holdings Limited ("Amara")	Amara operates hotels and restaurants, provides food and beverage catering services as well as develops and invests in properties. Amara owns and operates Amara Hotel and invests in shares.

Source: Bloomberg L.P.

For the purpose of our evaluation and for illustration, we have made comparison between the Group and the selected Comparable Companies using the following bases:

- (i) The historical PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern; and
- (ii) The P/NTA ratio or NTA approach is used to show the extent the value of each share is backed by its net tangible assets. The NTA approach of valuing a group of companies is based on the aggregate value of all the assets of the group in their existing condition, after deducting the sum of all liabilities and intangible assets of the group.

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Company name	Last financial year end	Market capitalisation as at Offer Announcement Date (\$\$'million)	Historical PER ⁽¹⁾ (times)	Historical P/NTA ratio ⁽²⁾ (times)
Hotel Grand Central	31 Dec 13	808.3	39.40	0.95
Far East Orchard	31 Dec 13	683.0	18.40	0.68
Bonvests	31 Dec 13	536.9	16.57	0.67
Stamford Land	30 Mar 14	479.4	16.29	1.05
Banyan Tree	31 Dec 13	433.2	784.79 ⁽³⁾	0.85
Global Premium Hotels	31 Dec 13	362.9	20.08	0.53
Hotel Royal	31 Dec 13	310.0	33.66	0.61
Amara	31 Dec 13	305.5	12.09	0.98

High		784.79	1.05
Low		12.09	0.53
Mean		22.36	0.79
Median		18.40	0.76

The Company (implied by the Offer Price)	30 Jun 14	347.7	n.m.⁽⁴⁾	1.22
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Source: Bloomberg L.P., annual reports and latest publicly available financial information on the Comparable Companies

Notes:

- (1) The historical PERs of the selected Comparable Companies are computed based on their respective latest published full year earnings or trailing 12 months earnings, where applicable, as at the Offer Announcement Date;
- (2) The P/NTA ratios of the Comparable Companies are computed based on their respective NTA values as set out in their latest published financial statements as at the Offer Announcement Date;
- (3) Excluded as statistical outlier in the mean and median computations; and
- (4) Denotes not meaningful.

Based on the above, we note that:

- (a) The historical PER of the Group is not a meaningful metric for comparison with the Comparable Companies due to the losses incurred by the Group for the trailing 12-month period; and
- (b) The P/NTA ratio of the Group of 1.22 times as implied by the Offer Price is above the upper end of the range of the historical P/NTA ratios of the Comparable Companies and hence significantly higher than the mean and median P/NTA of the Comparable Companies.

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7.6 Dividend track record of the Company

We set out below information on the dividend per LCD Share declared by the Company in respect of the last three financial years:

Dividends declared	FY2012	FY2013	FY2014
Total dividends for the year (S\$)	0.0100	0.0065	0.0100
Average LCD Share price ⁽¹⁾ (S\$)	0.1495	0.1528	0.1632
Dividend yield ⁽²⁾ (%)	6.69	4.25	6.13

Source: Bloomberg L.P. and the Company's annual reports

Notes:

- (1) Average daily closing price of the LCD Shares for each respective financial year; and
(2) Computed based on dividends per LCD Share divided by the average LCD Share price.

Based on the above, we note that over the last three financial years, the Company had regularly declared annual dividends ranging from S\$0.0065 to S\$0.010, representing dividend yields of between 4.25% and 6.69% per annum.

The Directors have confirmed that the Company does not have a fixed dividend policy and that they will recommend future dividends after taking into consideration the Company's cash and financial position, financial performance of the Group, working capital requirements, projected capital expenditure and other investment plans.

We wish to highlight that the above dividend analysis of the Company serves only as an illustrative guide and is not an indication of the Company's future dividend policy. There is no assurance that the Company will continue to pay dividends in future and/or maintain the level of dividends paid in the past periods.

7.7 Other relevant considerations in relation to the Offer which may have a significant bearing on our assessment

7.7.1 Closing Date

Pursuant to the announcement on 4 February 2015 that the Offer had become unconditional, it was also announced that the Offer will remain open for acceptances until 5.30 p.m. (Singapore time) on 12 March 2015, being 14 days after 26 February 2015, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

7.7.2 Likelihood of competing offers is remote

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal from any third party has been received. We also note that there is no publicly available evidence of any alternative offer for the Offer Shares from any third party.

As the Offer has become unconditional in all respects, the likelihood of a competing offer is remote.

7.7.3 Intention of the Offeror regarding listing status and trading suspension

Pursuant to Rule 1105 of the Listing Manual, in the event that the Offeror and its Concert Parties should, as a result of the Offer or otherwise, own or control more than 90.0% of the total issued LCD Shares (excluding treasury shares), the SGX-ST may suspend the listing of the LCD Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10.0% of the issued LCD Shares are held by at least 500 Shareholders who are members of the public.

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In addition, pursuant to Rule 723 of the Listing Manual, the Company must ensure that at least 10.0% of its total issued LCD Shares (excluding treasury shares) is at all times held in public hands (“**Free Float Requirement**”). Pursuant to Rule 724(1) of the Listing Manual, if the percentage of the issued LCD Shares held in public hands falls below 10.0%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the LCD Shares on the SGX-ST. Pursuant to Rule 724(2) of the Listing Manual, the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of issued LCD Shares held by members of the public to at least 10%, failing which the Company may be delisted from the SGX-ST.

As disclosed in Section 10 of the Offer Document and paragraph 6 of this Letter, it is the present intention of the Offeror to maintain the listing status of the Company on the SGX-ST following the completion of the Offer. However, in the event the Free Float Requirement is not satisfied at the close of the Offer, the Offeror reserves the right to re-evaluate its position, taking into account, *inter alia*, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.

In the event that the free float of the Company falls below the Free Float Requirement and the Offeror does not take steps to increase the free float, the LCD Shares may eventually be delisted from the SGX-ST.

7.7.4 No compulsory acquisition and dissenting Shareholders’ rights

As disclosed in Section 2.2 of the Offer Document and paragraph 6 of this Letter, the Offer will not be extended to any LCD Shares already owned, controlled or agreed to be acquired by the Offeror and the Relevant Concert Parties. As the Relevant Concert Parties include persons other than the Offeror and its related corporations (or their respective nominees), the requirements of Section 215(1) of the Companies Act will not be satisfied in relation to the Offer and the Offeror will not be entitled to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act, and dissenting Shareholders will also not be able to exercise their respective rights under Section 215(3) of the Companies Act.

In view of the above, in the event that the LCD Shares are delisted from the SGX-ST, Shareholders would end up holding shares in an unlisted entity with no ready public market to sell their LCD Shares and may face difficulty in selling their LCD Shares.

7.7.5 Unaudited 6M2015 results announcement

We wish to highlight the following commentary on the Group’s business environment made by the Company in its announcement of the financial results for 6M2015:

“As the property market in China currently remains weak with little or no sign of improvement in the short term particularly in third tier cities, the take up rate of the residential apartments of our Xuzhou project had been affected. In aggregate, 471 units out of 798 Phase I units and 37 units out of 408 Phase II units have been sold to-date. The permit to hand over the Phase I units to the buyers was obtained on 7 November 2014.

Works for the Group’s resort project at Rawai, in Phuket, Thailand have not commenced and the plans for this project are still under review.

The Group’s serviced residence in Vientiane, Laos commenced operating as Somerset Vientiane from 9 December 2014 after a refurbishment of its guest rooms, lobby and breakfast lounge. The serviced residence will be managed by The Ascott Limited for two years before it transitions into a franchise structure.”

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7.7.6 Directors' intentions with regard to their LCD Shares

As disclosed in Section 4.9 in Appendix II to the Circular, the Directors, namely, Ms Iris Wu Hwee Tan and Mr Richard Fam Shou Kwong, have expressed their respective intention to accept the Offer in respect of all their direct shareholdings in the LCD Shares.

Mr Nobuyoshi Fujisawa and Mr Shigeyoshi Asano are nominee Directors of JTrust. JTrust had on 3 February 2015 tendered its acceptance of the Offer in respect of all its holdings in the LCD Shares.

7.7.7 Transaction costs in connection with the disposal of LCD Shares

As the Offer has become unconditional in all respects, Shareholders who accept the Offer will receive the entire proceeds in cash within ten days after receipt by the Offeror of their respective valid acceptances. The Offer presents an opportunity for Shareholders to dispose of their LCD Shares for cash without any transaction costs as opposed to the sale of the LCD Shares in the open market which will incur expenses such as brokerage commission and transaction costs.

8. OUR RECOMMENDATION TO THE INDEPENDENT DIRECTORS ON THE OFFER

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

- (a) Market quotation and trading activity of the LCD Shares;
- (b) Financial performance of the Group;
- (c) Net asset value of the Group;
- (d) Comparison with recently completed non-privatisation take-over offers of companies listed on the SGX-ST and SGX-Catalist;
- (e) Comparison of valuation ratios of selected companies listed on the SGX-ST and SGX-Catalist which are broadly comparable with the Group;
- (f) Dividend track record of the Company; and
- (g) Other relevant considerations in relation to the Offer which may have a significant bearing on our assessment.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the financial terms of the Offer are fair and reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to ACCEPT the Offer or to sell their LCD Shares in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs).

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

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Our recommendation is addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the Offer, as the case may be, and may not be used or relied on for any other purposes (other than for the purpose of the Offer) without the prior written consent of Provenance Capital. The recommendation to be made by the Independent Directors to Shareholders in respect of the Offer, as the case may be, shall remain the sole responsibility of the Independent Directors.

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

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

Terence Lim
Director

APPENDIX II – ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

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

Name	Address	Appointment
Lawrence Ee Hock Leong	34 Dunbar Walk Singapore 459326	Non-Executive Chairman and Independent Director
Kelvin Lum Wen-Sum	74 Farrer Road #03-04 Gallop Gables Singapore 268852	Managing Director
Nobuyoshi Fujisawa	9-7-4-515 Akasaka Minato-Ku Tokyo Japan 107-0052	Executive Director
Shigeyoshi Asano	2-22-1-107 Shirakawa Koto-Ku Tokyo Japan 135-0021	Executive Director
Iris Wu Hwee Tan	20 Rambutan Road Singapore 424299	Executive Director
Dr Chua Sian Eng	9 Farrer Drive #04-02 Singapore 259279	Non-Executive and Independent Director
Richard Fam Shou Kwong	36 Fifth Avenue Singapore 268799	Non-Executive and Independent Director
Zainul Abidin bin Mohamed Rasheed	38 Lorong Mydin Singapore 416831	Non-Executive and Independent Director

2. HISTORY AND BUSINESS

The Company was incorporated in Singapore on 14 June 1973 and listed on the Main Board of the SGX-ST on 15 August 1973. The Company changed its name from “L.C. Development Ltd” to “LCD Global Investments Ltd.” on 30 October 2013.

The principal activities of the Company are investment holding and the provision of management services to its subsidiary companies. The subsidiary, associated and joint venture companies invest in properties, develop properties for sale, provide a full suite of real estate consultancy services and own and operate hotels, serviced residences and family entertainment centres.

In the hospitality sector, the Group has a portfolio of upscale hotels and resorts (namely, Crowne Plaza London Kensington in London, United Kingdom, Holiday Inn Resort Phuket in Patong Sub-district, Phuket, Thailand and another resort under review for redevelopment in Rawai Sub-district, Phuket, Thailand), and serviced residences (namely, Cityview Apartments and Commercial Centre in Ho Chi Minh City, Vietnam and Somerset Vientiane in Vientiane, Laos).

APPENDIX II – ADDITIONAL GENERAL INFORMATION

In the real estate sector, the Group through its stake in Knight Frank Pte Ltd, a real estate consultancy firm, offers a full suite of real estate services including sales, leasing, auction, investment sales, retail planning, property management, valuation, consultancy and research. The Group is also jointly developing a mixed-use project in Xuzhou City, Jiangsu Province, People's Republic of China. The project comprises a residential development, mega mall, commercial Grade A office tower and hotel.

In the leisure sector, the Group owns ZONE X Leisure Pte Ltd, a family entertainment business offering amusement arcade games in Singapore.

3. SHARE CAPITAL

3.1 Issued Share Capital

The Company has only one (1) class of shares, being ordinary shares. The issued share capital of the Company as at the Latest Practicable Date was 1,053,664,464 issued Shares (excluding 672,000 treasury shares). The issued Shares are listed and quoted on the Main Board of the SGX-ST.

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

3.2 Rights in respect of Capital, Voting and Dividends

The rights of Shareholders in respect of capital, voting and dividends are contained in the Articles. The provisions in the Articles relating to the rights of Shareholders in respect of capital, voting and dividends are reproduced in Appendix III to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Articles.

3.3 Number of Shares Issued Since the End of FY2014

As at the Latest Practicable Date, save for the transfer of 1,950,000 treasury shares pursuant to the exercise of Options, no new Shares have been issued since the end of FY2014, being the last financial year of the Company.

3.4 Outstanding Instruments Convertible into Shares

As at the Latest Practicable Date:

- (a) there are 1,975,000 outstanding Options, the details of which are as follows:

Date of grant	No. of Shares comprised in outstanding Options	Exercise price per Share (S\$)	Exercise period	
			From	To
26 July 2013	1,975,000	0.136	27 July 2015	26 July 2018

- (b) there are no outstanding share awards granted under the LCD Performance Share Award Scheme.

The rules of the LCD Share Option Scheme provide, *inter alia*, that in the event of a take-over offer being made for the Shares, a participant in the LCD Share Option Scheme shall be entitled to exercise any Option(s) held by him and as yet unexercised (including any Option(s) which is/are then not yet exercisable), in respect of such number of Shares comprised in that Option(s) in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:-

APPENDIX II – ADDITIONAL GENERAL INFORMATION

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the committee of Directors administering the LCD Share Option Scheme and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the exercise period relating thereto); or
- (b) the date of expiry of the exercise period relating thereto,

whereupon the Option(s) then remaining unexercised shall lapse and become null and void.

Save as disclosed above, there are no outstanding instruments convertible into, rights to subscribe for, or Options in respect of, securities being offered for or which carry voting rights affecting the Shares.

4. DISCLOSURE OF INTERESTS

4.1 Interests of the Company in Offeror Securities

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

4.2 Dealings in Offeror Securities by the Company

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

4.3 Interests of the Directors in Offeror Securities

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

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 six (6) 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 the Company Securities as at the Latest Practicable Date.

- (a) Shares

Name of Director	No. of Shares			%(¹)
	Direct interest	Deemed interest	Total interest	
Nobuyoshi Fujisawa	–	310,475,205 ⁽²⁾	310,475,205	29.47
Iris Wu Hwee Tan	1,112,000	–	1,112,000	0.11
Richard Fam Shou Kwong	6,398,400	–	6,398,400	0.61

Notes:

- (1) As a percentage of the total number of Shares as at the Latest Practicable Date comprising 1,053,664,464 issued Shares (excluding 672,000 treasury shares).
- (2) Nobuyoshi Fujisawa is deemed to have an interest in the 310,475,205 Shares held by JTrust Asia Pte. Ltd. JTrust Asia Pte. Ltd. has accepted the Offer on 3 February 2015.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

(b) Options

Name of Director	Date of grant	No. of Options	Exercise price per Share (S\$)	Exercise period From	To
Iris Wu Hwee Tan	26 July 2013	700,000	0.136	27 July 2015	26 July 2018

The rules of the LCD Share Option Scheme provide, *inter alia*, that in the event of a take-over offer being made for the Shares, a participant in the LCD Share Option Scheme shall be entitled to exercise any Option(s) held by him and as yet unexercised (including any Option(s) which is/are then not yet exercisable), in respect of such number of Shares comprised in that Option(s) in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:-

- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the committee of Directors administering the LCD Share Option Scheme and the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the expiry of the exercise period relating thereto); or
- (b) the date of expiry of the exercise period relating thereto,

whereupon the Option(s) then remaining unexercised shall lapse and become null and void.

4.6 Dealings in Company Securities by the Directors

Save as disclosed below, none of the Directors has dealt for value in any Company Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

(a) Acquisition / disposal of Shares

Name of Director	Date of transaction	No. of Shares acquired	No. of Shares sold	Transaction price per Share (S\$)
Kelvin Lum Wen-Sum	25 September 2014	–	13,653,000	0.30

JTrust Asia Pte. Ltd. entered into a sale and purchase agreement to acquire 310,475,205 Shares at S\$0.30 per Share on 19 September 2014. The transaction was completed on 25 September 2014. Nobuyoshi Fujisawa is deemed to have an interest in the Shares held by JTrust Asia Pte. Ltd.

(b) Exercise of Options

Name of Director	Date of grant	Exercise period From	To	Date of exercise of Options	No. of Options exercised	Price paid / Exercise price per Share (S\$)
Iris Wu Hwee Tan	22 July 2011	23 July 2012	22 July 2016	20 October 2014	200,000	0.160
	20 July 2012	21 July 2014	20 July 2017	20 October 2014	400,000	0.135

4.7 Company Securities owned or controlled by Provenance

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

APPENDIX II – ADDITIONAL GENERAL INFORMATION

4.8 Dealings in Company Securities by Provenance

As at the Latest Practicable Date, none of Provenance, its related corporations or any funds whose investments are managed by Provenance on a discretionary basis has dealt for value in any Company Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.9 Directors' Intentions

The Directors who hold (and have beneficial interest in) Shares have indicated their intention in respect of accepting or rejecting the Offer in respect of their Shares as follows:

- (a) As at the Latest Practicable Date, Iris Wu Hwee Tan has a direct interest in 1,112,000 Shares, representing approximately 0.11% of the issued share capital of the Company. Iris Wu Hwee Tan has informed the Company that she intends to accept the Offer in respect of the Shares held by her.
- (b) As at the Latest Practicable Date, Richard Fam Shou Kwong has a direct interest in 6,398,400 Shares, representing approximately 0.61% of the issued share capital of the Company. Richard Fam Shou Kwong has informed the Company that he intends to accept the Offer in respect of the Shares held by him.

4.10 Directors' Service Contracts

- (a) Kelvin Lum Wen-Sum entered into a service agreement with the Company for a term of five (5) years commencing from 1 August 2011 to 31 July 2016. Pursuant to the service agreement, Kelvin Lum Wen-Sum shall be entitled to a monthly salary of S\$49,000 with an annual wage supplement of one (1) month's salary for every 12 months of service. An annual bonus for every 12 months of service as recommended by the Company's Remuneration Committee and endorsed by the Board may also be payable. Kelvin Lum Wen-Sum is also entitled under the service agreement to other benefits including medical, insurance, hospital and dental benefits in Singapore, the use of a company car with driver; the use of club memberships and participation in the share-based incentive schemes of the Company.

In the event that the employment of Kelvin Lum Wen-Sum is terminated by either party to the service agreement due solely to or as a result of or arising from a change in control of the Company, the Company shall pay him a sum equivalent to 1.5 months of his last drawn basic monthly salary at the time of termination (for the first 10 years of service) and one (1) month of his last drawn basic monthly salary at the time of termination (for every year of service after the first 10 years of service), for each year of service commencing from 15 August 2002 and ending in the year in which his employment under the service agreement ceases, subject to a maximum of 30 months and subject further to the sum total of such payment being less than 5% of the Group's (including its associated companies') latest audited net tangible assets as at the time of occurrence. For the purposes of the foregoing, a person shall have "control" of a company if he or it holds, directly or indirectly, shares which together with shares held by any persons acting in concert with him or it carry 30% or more of the voting rights of that company and "change in control" shall be interpreted accordingly.

- (b) Iris Wu Hwee Tan entered into a service agreement with the Company for a term of five (5) years commencing from 9 July 2012 to 8 July 2017. Pursuant to the service agreement, Iris Wu Hwee Tan shall be entitled to a monthly salary of S\$23,100 with an annual wage supplement of one (1) month's salary for every 12 months of service. An annual bonus for every 12 months of service as recommended by the Company's Remuneration Committee and endorsed by the Board may also be payable. Iris Wu Hwee Tan is also entitled under the service agreement to other benefits including medical, insurance, hospital and dental benefits in Singapore, the use of a company car; the use of a club membership if deemed necessary by the Company and participation in the share-based incentive schemes of the Company.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

In the event that the employment of Iris Wu Hwee Tan is terminated by either party to the service agreement due solely to or as a result of or arising from a change in control of the Company, the Company shall pay her a sum equivalent to one (1) month of her last drawn basic monthly salary at the time of termination for each year of service commencing from 16 January 1982 and ending in the year in which her employment under the service agreement ceases, subject to a maximum of 24 months and subject further to the sum total of such payment being less than 5% of the Group's (including its associated companies') latest audited net tangible assets as at the time of occurrence. For the purposes of the foregoing, a person shall have "control" of a company if he or it holds, directly or indirectly, shares which together with shares held by any persons acting in concert with him or it carry 30% or more of the voting rights of that company and "change in control" shall be interpreted accordingly.

Save as disclosed above, as at the Latest Practicable Date, 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 there are no such service contracts entered into or amended by the Company or any of its subsidiaries during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.11 Other Disclosures

- (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 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, 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.
- (c) As at the Latest Practicable Date, none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

5. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, 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.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole. 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 Company or the Group, taken as a whole.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

7. MARKET QUOTATION

7.1 Closing Prices and Last Traded Price of the Shares

The closing price of the Shares on the SGX-ST, as reported by Bloomberg L.P., on (a) 6 February 2015 (being the Latest Practicable Date) was S\$0.325 and (b) 9 January 2015 (being the last full trading day of the Shares on the SGX-ST immediately preceding the Offer Announcement Date) was S\$0.300. Trading in the Shares was halted from 0818 hours on 12 January 2015 (being the Offer Announcement Date) and the last traded price prior to the trading halt was S\$0.300.

The last transacted prices and aggregate trading volume of the Shares on the SGX-ST on a monthly basis from July 2014 to December 2014 (being the six (6) calendar months preceding the Offer Announcement Date), as reported by Bloomberg L.P., are set out below:

Month	Last transacted price (S\$)	Volume of Shares traded (’000)
July 2014	0.295	48,740
August 2014	0.300	16,307
September 2014	0.295	327,092
October 2014	0.305	71,625
November 2014	0.265	32,943
December 2014	0.305	21,624

7.2 Highest and Lowest Prices

During the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date (13 July 2014 to 6 February 2015), the highest and lowest closing prices of the Shares on the SGX-ST, as reported by Bloomberg L.P. are as follows:

- (a) highest closing price : S\$0.350 on 22 January 2015, 23 January 2015 and 2 February 2015; and
- (b) lowest closing price : S\$0.255 on 26 September 2014 and 2 December 2014.

8. MATERIAL CHANGES

- (a) Save for the information of the Company and its subsidiaries which is publicly available (including, without limitation, the unaudited consolidated financial statements of the Group for the period ended 31 December 2014 set out in Appendix IV to this Circular), there has been no material change in the financial position of the Group since 30 June 2014, being the date to which the last published audited accounts of the Group were made up.
- (b) Save as disclosed in this Circular, 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.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

9. FINANCIAL INFORMATION

9.1 Consolidated Income Statements and Statements of Comprehensive Income

The audited consolidated income statements and statements of comprehensive income of the Group for the last three (3) financial years (ended 30 June 2012, 2013 and 2014) and the unaudited consolidated income statements and statements of comprehensive income of the Group for the periods ended 30 September 2014 and 31 December 2014 are summarised below. The summary below should be read together with the annual reports of the Company for the relevant financial years. Copies of the annual reports are available for inspection at the registered office of the Company at 14 Kung Chong Road, #06-01 Lum Chang Building, Singapore 159150 during normal business hours for the period during which the Offer remains open for acceptance.

	← (Unaudited) →		← (Audited) →		
	Period 31 December 2014 (S\$'000)	Period 30 September 2014 (S\$'000)	FY2014 (S\$'000)	FY2013 (S\$'000)	Restated FY2012 (S\$'000)
Consolidated Income Statements					
Revenue	26,618	12,649	55,499	57,770	59,830
Cost of sales	(13,771)	(6,808)	(29,534)	(30,447)	(31,159)
Gross profit	12,847	5,841	25,965	27,323	28,671
Other operating income	784	354	694	4,244	1,102
Marketing expenses	(1,221)	(607)	(2,416)	(2,289)	(2,780)
Administrative expenses	(10,065)	(6,298)	(16,788)	(16,540)	(17,083)
Other operating expenses	(3,078)	(1,608)	(16,540)	(6,841)	(5,714)
Operating (loss) / profit	(733)	(2,318)	(9,085)	5,897	4,196
Finance costs	(954)	(463)	(1,838)	(1,460)	(1,636)
Share of results of associated and joint venture companies	10,886	211	1,835	1,494	(925)
Exceptional items	(357)	–	–	4,123	78,108
Profit / (loss) before taxation	8,842	(2,570)	(9,088)	10,054	79,743
Taxation	(1,114)	(489)	(2,631)	(4,017)	(3,521)
Profit / (loss) for the period / year	7,728	(3,059)	(11,719)	6,037	76,222
Attributable to:					
Shareholders of the Company	6,655	(3,327)	(14,374)	1,391	72,573
Non-controlling interests	1,073	268	2,655	4,646	3,649
	7,728	(3,059)	(11,719)	6,037	76,222
Earnings / (loss) per Share (cents)					
- Basic	0.63	(0.32)	(1.38)	0.14	7.07
- Diluted	0.63	(0.32)	(1.38)	0.14	7.00
Dividends per Share (cents)					
- Final	–	–	1.00	0.50	0.50
- Special	–	–	–	0.15	0.50

APPENDIX II – ADDITIONAL GENERAL INFORMATION

	← (Unaudited) →		← (Audited) →		
	Period 31 December 2014 (S\$'000)	Period 30 September 2014 (S\$'000)	FY2014 (S\$'000)	FY2013 (S\$'000)	Restated FY2012 (S\$'000)
Consolidated Statements of Comprehensive Income					
Profit / (loss) for the period / year	7,728	(3,059)	(11,719)	6,037	76,222
Other comprehensive income / (loss):					
<i>Items that may be reclassified subsequently to income statement:</i>					
Foreign currency translation	4,312	2,118	(2,404)	1,449	6,567
Fair value gain / (loss) on investment securities	15	(18)	112	178	275
<i>Items that will not be reclassified to income statement:</i>					
Net surplus on revaluation of property, plant and equipment	9,936	–	8,814	–	26,662
Adjustments of deferred tax liabilities to asset revaluation reserve	(2,295)	–	(585)	1,673	2,487
	11,968	2,100	5,937	3,300	35,991
Total comprehensive income / (loss) for the period / year	19,696	(959)	(5,782)	9,337	112,213
Attributable to:					
Shareholders of the Company	13,354	(2,337)	(3,678)	3,895	97,910
Non-controlling interests	6,342	1,378	(2,104)	5,442	14,303
	19,696	(959)	(5,782)	9,337	112,213

9.2 Consolidated Balance Sheets

The audited consolidated balance sheet of the Group as at 30 June 2014 and the unaudited consolidated balance sheet of the Group as at 31 December 2014 are summarised below. The summary below should be read together with the annual report of the Company for FY2014, a copy of which is available for inspection at the registered office of the Company at 14 Kung Chong Road, #06-01 Lum Chang Building, Singapore 159150 during normal business hours for the period during which the Offer remains open for acceptance.

APPENDIX II – ADDITIONAL GENERAL INFORMATION

	(Unaudited) As at 31 December 2014 (S\$'000)	(Audited) As at 30 June 2014 (S\$'000)
Consolidated Balance Sheets		
Non-current assets		
Property, plant and equipment	297,253	283,796
Investment property	8,764	8,936
Intangible assets	155	161
Associated companies	1,572	1,574
Joint venture companies	83,751	74,018
Investment securities	5,061	5,061
Prepayments	1,599	–
Deferred tax assets	88	99
	398,243	373,645
Current assets		
Investment securities	202	188
Inventories	548	504
Trade receivables	1,653	1,296
Other receivables	1,322	2,267
Tax recoverable	–	2
Prepayments	737	518
Cash and short-term deposits	30,548	35,287
	35,010	40,062
Current liabilities		
Provision	56	56
Trade payables	2,326	2,770
Other payables and accruals	8,427	7,476
Provision for taxation	869	936
Hire purchase creditors	83	203
Term loans	16,782	5,985
	28,543	17,426
Net current assets	6,467	22,636
Non-current liabilities		
Provision	43	43
Hire purchase creditors	165	527
Term loans	37,606	40,002
Deferred tax liabilities	25,948	23,107
	63,762	63,679
Net assets	340,948	332,602
Equity attributable to Shareholders of the Company		
Share capital	209,285	209,232
Treasury shares	(144)	(393)
Reserves	76,643	73,639
	285,784	282,478
Non-controlling interests	55,164	50,124
Total equity	340,948	332,602

APPENDIX II – ADDITIONAL GENERAL INFORMATION

10. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of the Group is set out in the notes to the audited consolidated financial statements of the Group for FY2014 as contained in the annual report of the Company for FY2014, a copy of which is available for inspection at the registered office of the Company at 14 Kung Chong Road, #06-01 Lum Chang Building, Singapore 159150 during normal business hours for the period during which the Offer remains open for acceptance.

Save as disclosed in the notes to the audited consolidated financial statements of the Group for FY2014 as contained in the annual report of the Company for FY2014:

- (a) there are no significant accounting policies or any matter from the notes of the audited consolidated financial statements of the Group for FY2014 which are of any major relevance for the interpretation of the financial statements of the Group; and
- (b) as at the Latest Practicable Date, there is no change in the accounting policies of the Group which would cause the figures disclosed in this Circular not to be comparable to a material extent with FY2014.

11. GENERAL

- (a) All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.
- (b) Provenance has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; (ii) the IFA Letter set out in Appendix I to this Circular; (iii) the letter from Provenance in relation to the interim financial statements of the Group for the period ended 31 December 2014 set out in Appendix VI to this Circular; and (iv) all references thereto, in the form and context in which they appear in this Circular.
- (c) EY has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; (ii) the report of EY in relation to the review of the condensed interim financial information of the Group for the period ended 31 December 2014 set out in Appendix V to this Circular; and (iii) all references thereto, in the form and context in which they appear in this Circular.
- (d) Each of the Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name; (ii) the respective Valuation Reports set out in Appendix VII to this Circular; and (iii) all references thereto, in the form and context in which they appear in this Circular.

12. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 14 Kung Chong Road, #06-01 Lum Chang Building, Singapore 159150 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Memorandum and Articles;
- (b) the annual reports of the Company for FY2012, FY2013 and FY2014;
- (c) the interim financial statements of the Group for the period ended 31 December 2014 set out in Appendix IV to this Circular;
- (d) the IFA Letter set out in Appendix I to this Circular;
- (e) the letter from Provenance in relation to the interim financial statements of the Group for the period ended 31 December 2014 set out in Appendix VI to this Circular;

APPENDIX II – ADDITIONAL GENERAL INFORMATION

- (f) the report from EY in relation to the review of the condensed interim financial information of the Group for the period ended 31 December 2014 set out in Appendix V to this Circular;
- (g) the letters of consent referred to in Section 11 of this Appendix; and
- (h) the Valuation Reports set out in Appendix VII to this Circular.

APPENDIX III – PROVISIONS IN THE ARTICLES RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

The provisions in the Articles relating to the rights of Shareholders in respect of capital, voting and dividends have been reproduced below:

1. The Rights of Shareholders in respect of Capital

“SHARES

3. **ISSUE OF SHARES.** *The shares taken by the subscribers to the Memorandum of Association shall be issued by the Directors. Subject as aforesaid and to these Articles, the shares shall be under the control of the Directors, who may allot and issue the same to such persons on such terms and conditions and at such times as the Directors think fit.*
4. **SPECIAL RIGHTS.** *Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine; PROVIDED ALWAYS THAT the total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares of the Company.*
5. **REDEEMABLE PREFERENCE SHARES.** *Subject (but not limited) to the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed. The Company shall also have the power to issue further preference shares ranking equally with or in priority to any preference shares already issued.*
6. **RIGHTS OF PREFERENCE SHAREHOLDERS.** *Holders of preference shares shall have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets, and attending general meetings of the Company. They shall 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 of the Company, or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividends on the preference shares are in arrears for more than six months.*
7. **MODIFICATION OF RIGHTS OF PREFERENCE SHAREHOLDERS.** *The repayment of preference capital other than redeemable preference capital, or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned; PROVIDED ALWAYS THAT where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within two months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.*
8. **RIGHTS NOT VARIED BY ISSUE OF ADDITIONAL SHARES.** *The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.*
9. **NO TRUSTS RECOGNISED.** *No person, other than the Depository, shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be required in any way to recognise (even when having notice thereof) any equitable, contingent future or partial interest in any share or any other rights in respect of any share other than an absolute right to the entirety thereof in the registered holder, except only as by these Articles otherwise provided for or as required by the Statutes or pursuant to any order of court.*

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

10. **OFFER OF NEW SHARES.** Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the Securities Exchange's listing rules, all new shares of whatever kind shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the number 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.
11. **SHARE CERTIFICATES.** Unless otherwise resolved by the Directors, securities will be allotted and certificates issued in the name of and despatched to every person whose name is entered as a Member in the Register of Members or allotted and despatched to the Depository for the account of every Depositor who is a Member, within ten Market Days (or such other periods as may be approved by any stock exchange upon which the shares of the Company may be listed) of the final applications closing date for an issue of securities or as the case may be after the lodgement of any registrable transfer. Every person whose name is entered as a Member in the Register of Members or in the name of the Depository, as the case may be, shall be entitled without payment to one certificate under the Seal in respect of each class of shares held by him for all his shares in that class or several certificates in reasonable denominations each for one or more of his shares in any one class upon payment of S\$2.00 (or such sum as the Directors shall from time to time determine) for every certificate after the first. Stamp duty payable on such certificate shall be borne by such Member unless otherwise directed by the Directors; PROVIDED ALWAYS THAT in the case of joint holders (including Depositors) the Company shall not be bound to issue more than one certificate and delivery of such certificate to any one of them, or in the case of shares registered in the name of the Depository, to the Depository, shall be sufficient delivery to all such holders (including Depositors). PROVIDED FURTHER THAT the Company shall not be bound to register more than three persons as the holders of any share except in the case of executors or administrators of the estate of a deceased Member.
12. **RENEWAL OF CERTIFICATES.** Subject to the provisions of the Act, if a share certificate be worn out, defaced, destroyed, lost or stolen, it may be renewed on payment of such fee not exceeding S\$2.00 or in the event of the Company being listed on the Securities Exchange such other sum as may from time to time be prescribed by the Securities Exchange and on such terms as the Directors think fit, if any, as to evidence and indemnity being given by the shareholder, transferee, person entitled, purchaser, or member of the Securities Exchange on behalf of its/their client(s) and, in the case of destruction, loss or theft, on payment by the shareholder or person entitled to whom such renewed certificate is given of out-of-pocket expenses of the Company of investigating evidence including the payment of stamp duty on such certificate or in the case of defacement or wearing out, on delivery up of the old certificate. Any duplicate certificate issued on or after 30 January 2006 in respect of a share certificate issued before that date shall state, in place of the historical nominal value of the shares, the amount paid on the shares and the amount (if any) unpaid on the shares.

LIEN

13. **COMPANY TO HAVE LIEN ON SHARES AND DIVIDENDS.** The Company shall have a lien on every share not being a fully-paid share which shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such monies 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 Company's lien, if any, on a share shall extend to all dividends payable thereon.

APPENDIX III – PROVISIONS IN THE ARTICLES RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

14. **LIEN MAY BE ENFORCED BY SALE OF SHARES.** *The Directors may sell any shares subject to such lien at such time or times and in such manner as they think fit, but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable or a liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof, and giving notice of intention to sell in default, shall have been served on such Member or the persons (if any) entitled by transmission to the shares, and default in payment, fulfilment or discharge shall have been made by him or them for seven days after such notice.*
15. **DIRECTORS MAY AUTHORISE TRANSFER AND ENTER PURCHASER'S NAME IN REGISTER.** *To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser and may enter the purchaser's name in the Register of Members as holder of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.*
16. **APPLICATION OF PROCEEDS OF SALE.** *The net proceeds of sale whether of a share forfeited by the Company or of a share over which the Company has a lien, shall be applied in or towards satisfaction of the amount due to the Company, or of the liability, as the case may be, and any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs.*
17. **MEMBER NOT ENTITLED TO PRIVILEGES OF MEMBERSHIP UNTIL ALL CALLS PAID.** *Subject to Article 114, no Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether in his own name or in a Securities Account, and whether alone or jointly with any other person, together with interest and expenses (if any).*

CALLS ON SHARES

18. **DIRECTORS MAY MAKE CALLS.** *The Directors may, subject to the provisions of these Articles, from time to time make such calls upon the Members in respect of all monies unpaid on their shares as they think fit; PROVIDED ALWAYS THAT fourteen days' notice at least is given in respect of each call and each Member shall be liable to pay the amount of every call so made upon him to the Company, by the instalments (if any) and at the times and places appointed by the Directors. A call may be revoked or postponed as the Directors may determine.*
19. **WHEN CALL DEEMED TO HAVE BEEN MADE.** *A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.*
20. **LIABILITY OF JOINT HOLDERS.** *The joint holders or joint Depositors of a share shall be jointly and severally liable to pay all calls and instalments in respect thereof.*
21. **INTEREST ON UNPAID CALL.** *If before or on the day appointed for payment thereof a call or instalment payable in respect of a share is not paid, the person from whom the same is due shall pay interest on the amount of the call or instalment at such rate as the Directors shall fix from the day appointed for payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.*
22. **PAYMENTS IN ADVANCE OF CALLS.** *Any Member may pay to the Company and the Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the monies for the time being remaining uncalled on his shares but the monies so paid in advance shall not, whilst carrying interest, confer a right to participate in the profits of the Company.*

APPENDIX III – PROVISIONS IN THE ARTICLES RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

23. **MONIES PAID IN ADVANCE OF CALLS.** *In respect of any monies paid in advance of any call, or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, the Directors may pay or allow such interest as may be agreed between them and such Member, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up.*
24. **SUM PAYABLE ON ALLOTMENT DEEMED TO BE A CALL.** *Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date, shall, for all purposes of these Articles, be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment, the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all the relevant provisions of these Articles, shall apply as if such sum were a call duly made and notified as hereby provided.*
25. **DIFFERENCE IN CALLS.** *The Directors may, from time to time, make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.*

TRANSFER OF SHARES

26. **TRANSFER OF SHARES.** *There shall be no restriction on the transfer of fully paid up shares (except where required by law or, where the Company is listed on the Securities Exchange, the rules, bye-laws or listing rules of the Securities Exchange) but the Directors may in their discretion refuse to register a transfer to a transferee of whom they do not approve, in the case of shares not fully paid up; PROVIDED ALWAYS THAT in the event of the Directors refusing to register a transfer of shares, they shall within one month, or in the event of the Company being listed on the Securities Exchange, within ten Market Days beginning with the day on which the application for such transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Act.*
27. **FORM OF TRANSFER.** *Every transfer shall be in writing in the form approved by the Directors and in the event of the Company being listed on the Securities Exchange, by the Securities Exchange. Every instrument of transfer must be in respect of only one class of shares and must be duly stamped in accordance with any applicable law for the time being in force relating to stamp duty and shall be left at the Office accompanied by the certificate of the shares to be transferred and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer.*
28. **TRANSFERS TO BE EXECUTED BY BOTH PARTIES.** *The instrument of transfer of any share shall be executed by or on behalf of both the transferor and the transferee and be witnessed; PROVIDED ALWAYS THAT the Depository shall not be required to sign, as transferee, any transfer form relating to the transfer of shares to it and PROVIDED FURTHER THAT, at the discretion of the Directors, the signature of any other transferee may be dispensed with. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.*
29. **TRANSFER FEE.** *The Company shall be entitled to charge a fee not exceeding S\$2.00 for each instrument of transfer or in the event of the Company being listed on the Securities Exchange, such other sum as may from time to time be prescribed by the Securities Exchange on the registration of every transfer.*
30. **REGISTRATION OF TRANSFERS.** *The Directors may decline to register any transfer unless all the preceding requirements are fully complied with. All instruments of transfer which are registered may be retained by the Company.*

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

31. **REGISTRATION OF TRANSFERS MAY BE SUSPENDED.** *The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine; PROVIDED ALWAYS THAT such registration shall not be suspended for more than thirty days in any year.*

TRANSMISSION OF SHARES

32. **ON DEATH OF MEMBER, SURVIVOR OR EXECUTOR ONLY RECOGNISED.** *In the case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares. But nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.*
33. **PERSON ENTITLED MAY RECEIVE DIVIDENDS WITHOUT BEING REGISTERED AS A MEMBER, BUT MAY NOT EXERCISE OTHER RIGHTS.** *A person entitled to a share by transmission shall be entitled to receive, and may give a discharge for, any dividends or other monies payable in respect of the share, but he shall not be entitled in respect of it to receive notice of or to attend or vote at meetings of the Company or, save as aforesaid, to exercise any of the rights or privileges as a Member unless and until he shall become a Member in respect of the share.*

FORFEITURE OF SHARES

34. **PAYMENT OF CALL WITH INTEREST AND EXPENSES.** *If any Member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment thereof, the Directors may at any time thereafter, during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him or on the person entitled to the share by transmission requiring him to pay such call or instalment or such part thereof as remains unpaid, together with interest at such rate as the Directors shall determine, and any expenses that may have accrued by reason of such non-payment.*
35. **NOTICE REQUIRING PAYMENT TO CONTAIN CERTAIN PARTICULARS.** *The notice shall name a further day (not earlier than the expiration of seven days from the date of the notice) on or before which such call or instalment, or such part as aforesaid, and all interest and expenses that have accrued by reason of such non-payment, are to be paid. It shall also name the place where payment is to be made, and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made will be liable to be forfeited.*
36. **ON NON-COMPLIANCE WITH NOTICE SHARES FORFEITED ON RESOLUTION OF DIRECTORS.** *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 the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture notwithstanding that they shall have been declared.*
37. **NOTICE OF FORFEITURE TO BE GIVEN AND ENTERED IN REGISTER OF MEMBERS.** *When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given and of the forfeiture with the date thereof, shall forthwith be made in the Register of Members opposite to the shares; but the provisions of this Article are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.*

APPENDIX III – PROVISIONS IN THE ARTICLES RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

38. **DIRECTORS MAY ANNUL FORFEITURE UPON TERMS.** *Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit to impose.*
39. **DIRECTORS MAY DISPOSE OF FORFEITED SHARES.** *Every share which shall be forfeited may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture 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 the Directors may, if necessary, authorise some person to transfer the same to such other person as aforesaid.*
40. **FORMER HOLDER OF FORFEITED SHARES LIABLE FOR CALL MADE BEFORE FORFEITURE.** *A shareholder whose shares have been forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest thereon to the date of payment, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture, without any deduction of allowance for the value of the shares at the time of forfeiture.*
41. **CONSEQUENCES OF FORFEITURE.** *The forfeiture of a share shall involve the extinction at the time of forfeiture of all interests in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved or as are by the Statutes given or imposed in the case of past Members.*
42. **TITLE TO FORFEITED SHARE.** *A statutory declaration in writing that the declarant is a Director and that a share has been duly forfeited in pursuance of these Articles and stating the date upon which it was forfeited shall, as against all persons claiming to be entitled to the share adversely to the forfeiture thereof, be conclusive evidence of the facts therein stated, and such declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof, and a certificate of proprietorship of the share under the Seal delivered to the person to whom the same is sold or disposed of, shall constitute a good title to the share, and (subject to the execution of any necessary transfer) such person shall be registered as the holder of the share, 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 or disposed of. Such person shall be discharged from all calls made prior to such sale or disposition, and shall not be bound to see to application of the purchase money (if any) nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.*

CONVERSION OF SHARES INTO STOCK

43. **POWER TO CONVERT INTO STOCK.** *The Company may by ordinary resolution passed at a general meeting convert any paid up shares into stock and reconvert any stock into paid up shares of any denomination.*
44. **TRANSFER OF STOCK.** *The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit; but the Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum.*

APPENDIX III – PROVISIONS IN THE ARTICLES RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

45. **RIGHTS OF STOCKHOLDERS.** *The holders of stock shall according to the number of the stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage.*
46. **INTERPRETATION.** *Such of the regulations of the Company as are applicable to paid up shares shall apply to stock, and the words “share” and “shareholder” therein shall include “stock” and “stockholder”.*

ALTERATION OF CAPITAL

47. **COMPANY MAY INCREASE ITS CAPITAL.** *The Company in general meeting may from time to time increase its capital by the creation and issue of new shares, such aggregate increase to be of such amount as the Company by the resolution authorising such increase directs.*
48. **POWER TO ISSUE INSTRUMENTS.** *Notwithstanding the provisions herein, the Company may by ordinary resolution in general meeting give to the Directors general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution, to:-*
- (A) (i) *issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or*
 - (ii) *make or grant offers, agreements or options (collectively “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and*
 - (B) *(notwithstanding that the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force;*

Provided that:-

- (1) *the aggregate number of shares to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution), does not exceed fifty per cent. (or such other limit as may be prescribed by any rules of the Securities Exchange) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution), does not exceed twenty per cent. (or such other limit as may be prescribed by any rules of the Securities Exchange) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below);*

APPENDIX III – PROVISIONS IN THE ARTICLES RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

- (2) *(subject to such manner of calculation as may be prescribed by any rules of the Securities Exchange from time to time) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be calculated based on the issued share capital of the Company at the time of the passing of the ordinary resolution, after adjusting for:-*
- (a) *new shares arising from the conversion, exercise or vesting, as the case may be, of convertible securities, share options or share awards outstanding or subsisting at the time of the passing of the ordinary resolution; provided that such options or awards were granted pursuant to a share option scheme effected and administered in compliance with the rules of the Securities Exchange; and*
- (b) *any subsequent consolidation or subdivision of shares;*
- (3) *in exercising the authority conferred by the ordinary resolution, the Company shall comply with the provisions of the listing rules of the Securities Exchange for the time being in force (unless such compliance is waived by the Securities Exchange) and these Articles; and*
- (4) *(unless revoked or varied by the Company in general meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the annual general meeting of the Company next following the passing of the ordinary resolution, or the date by which such annual general meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).*
49. **COMPANY MAY ALTER ITS CAPITAL.** *The Company may by ordinary resolution:-*
- (1) *consolidate and divide all or any of its share capital; or*
- (2) *cancel any number of 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 number of shares so cancelled; or*
- (3) *sub-divide shares, or any of them, (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 such shares may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any restrictions as compared with the others as the Company has power to attach to unissued or new shares.*
50. **COMPANY MAY REDUCE ITS CAPITAL.** *The Company may by special resolution reduce its share capital in any manner authorised and subject to any conditions prescribed by the Statutes. Where the Company's share capital is reduced in accordance with the Act, a Member (past or present) shall not be liable in respect of the issue price of any share to any call or contribution greater in amount than the difference (if any) between the issue price of the share and the aggregate of the amount paid up on the share (if any) and the amount reduced on the share. This provision shall not apply to treasury shares held by the Company and the Company is entitled to cancel its treasury shares in the manner prescribed by the Act.*

APPENDIX III – PROVISIONS IN THE ARTICLES RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

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

Where ordinary shares or stocks are purchased or acquired by the Company in accordance with the provisions of the Act, the Company may hold the shares or stocks (or any of them) or deal with any of them, at any time.

Any ordinary share which is so purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition by the Company unless held in treasury; preference shares that are purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Act.

52. **TREASURY SHARES.** *If the Company has only one class of shares, the aggregate number of shares held as treasury shares shall not at any time exceed ten per cent. of the total number of shares of the Company at that time.*

Where the share capital of the Company is divided into shares of different classes, the aggregate number of shares of any class held as treasury shares shall not at any time exceed ten per cent. of the total number of the shares in that class at that time.

In the event of contravention of the above, the Company shall dispose of or cancel the excess shares in the manner provided by the Act.

The Company shall not exercise any rights in respect of the treasury shares, including any right to attend or vote at meetings, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights. Any purported exercise of such a right is void.

No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be made to the Company in respect of the treasury shares save as specifically provided for in the Act.

MODIFICATION OF CLASS RIGHTS

53. **RIGHTS OF SHAREHOLDERS MAY BE ALTERED.** *Subject (but not limited) to the provisions of Section 74 of the Act, all or any of the rights, privileges or conditions for the time being attached or belonging to any class of shares for the time being forming part of the share capital of the Company may from time to time be modified, affected, varied, extended or surrendered in any manner with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the Members of that class. To any such separate meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be Members of the class holding or representing by proxy one-third of the share capital paid or credited as paid on the issued shares of the class, and every holder of shares of the class in question shall be entitled on a poll to one vote for every such share held by him."*

APPENDIX III – PROVISIONS IN THE ARTICLES RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

2. The Rights of Shareholders in respect of Voting

“GENERAL MEETINGS

54. **ANNUAL GENERAL MEETINGS.** *An annual general meeting shall be held once in every calendar year, at such time and place as may be determined by the Directors, but not more than four months or such other period as may be prescribed by the Act, shall be allowed to elapse between the close of each financial year and such annual general meeting.*
55. **ANNUAL GENERAL AND EXTRAORDINARY GENERAL MEETINGS.** *The general meetings referred to in Article 54 shall be called annual general meetings. All other general meetings shall be called extraordinary general meetings.*
56. **EXTRAORDINARY GENERAL MEETINGS.** *The Directors may call an extraordinary general meeting whenever they think fit, and extraordinary general meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Act.*
57. **NOTICE OF MEETING.** *Any general meeting at which it is proposed to pass a special resolution or a resolution for which special notice is required and has been given to the Company in accordance with the Act, shall be called by twenty-one days' notice at least and any other general meeting by fourteen days' notice at least, 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 to vote thereat; or (b) in the case of extraordinary general meetings, by a majority in number of the Members having a right to attend and vote thereat, being a majority which holds not less than ninety-five per cent. of the total voting rights of all the Members having a right to vote at that meeting. Every notice calling a general meeting shall specify the place and the day and the hour of meeting and be given in a manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notices of general meetings from the Company. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. In the event of the Company being listed on the Securities Exchange at least fourteen days' notice of every such meeting shall be given by advertisement in the daily press and in writing to the Securities Exchange. The accidental omission to give such notice to, or the non-receipt of such notice by, any such person shall not invalidate the proceedings or any resolution passed at any such meeting.*
58. **RESOLUTION SIGNED BY ALL MEMBERS AS EFFECTIVE AS IF PASSED AT GENERAL MEETING.** *Subject to the Statutes, a resolution in writing signed by all the Members for the time being entitled to receive notice of and attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be valid and effective as if the same had been passed at a general meeting of the Company duly convened and held, and may consist of several documents in the like form each signed by one or more Members.*

PROCEEDINGS AT GENERAL MEETINGS

59. **SPECIAL BUSINESS.** *All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and Auditors, and any other documents annexed to the balance sheets, the election of Directors in place of those retiring and the fixing of the remuneration of the Directors and the appointment and fixing of the remuneration of the Auditors.*

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

60. **NO BUSINESS TO BE TRANSACTED UNLESS QUORUM PRESENT.** *No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. For all purposes, the quorum shall be two Members personally present or represented by proxy.*
61. **IF NO QUORUM MEETING ADJOURNED OR DISSOLVED.** *If within half an hour from the time appointed for the holding of a general meeting, 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 at the same time and place, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the Members present shall be a quorum.*
62. **CHAIRMAN OF BOARD TO PRESIDE AT ALL MEETINGS.** *The chairman of the Directors shall preside as chairman at every general meeting. If at any meeting the chairman shall not be present within fifteen minutes after the time appointed for holding the meeting or be unwilling to act, the Members present shall choose one of the Directors to be chairman of the meeting, or if no Director be present or if all the Directors present decline to take the chair, one of their number present shall be chairman.*
63. **NOTICE OF ADJOURNED MEETINGS.** *The chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no Member shall be entitled to any notice of any adjournment or of the business to be transacted at an adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.*
64. **HOW RESOLUTION DECIDED.** *At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands a poll is demanded by either:-*
- (i) *the chairman of the meeting; or*
 - (ii) *not less than two Members present in person or by proxy and entitled to vote at the meeting; or*
 - (iii) *a Member or Members present in person or by proxy and representing not less than ten per cent. of the total voting rights of all the Members having the right to vote at the meeting; or*
 - (iv) *a Member or Members present in person or by proxy and holding not less than ten per cent. of the total number of paid up shares of the Company (excluding treasury shares).*
65. **RESULT OF VOTING.** *A demand for a poll may be withdrawn. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence thereof without proof of the number or proportion of the votes recorded in favour of or against such resolution.*
66. **VOTES COUNTED IN ERROR.** *If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at any adjournment thereof, and unless it shall in the opinion of the chairman be of sufficient magnitude.*

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

67. **HOW POLL TO BE TAKEN.** No poll shall be demanded on the election of a chairman or on any question of adjournment of the meeting. A poll demanded on any other question shall be taken at such time and place, and in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with at a meeting pending the taking of the poll.
68. **CHAIRMAN TO HAVE CASTING VOTE.** In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a second or casting vote.

VOTES OF MEMBERS

69. **NUMBER OF VOTES.** Subject to any rights or restrictions for the time being attached to any class or classes of shares, every Member present in person or by proxy or by attorney shall have one vote on a show of hands and on a poll, every Member present in person or by proxy or by attorney shall have one vote for each share which he holds or represents.
70. **VOTING IN ABSENTIA.** Subject to these Articles and the provisions of the Act, the Directors may, at their sole discretion approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.
71. **SPLIT VOTES.** On a poll a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
72. **VOTES OF JOINT HOLDERS OF SHARES.** In the case of joint holders, any one of such persons may vote, but if more than one of such persons be present at a meeting, 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 holder; and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or the Depository Register (as the case may be).
73. **VOTES OF LUNATIC MEMBER.** A person of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other legal curator and such last-mentioned persons may give their votes either personally or by proxy.
74. **MEMBERS INDEBTED TO COMPANY IN RESPECT OF SHARES NOT ENTITLED TO VOTE.** No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares held by him in the Company, whether in his own name or in a Securities Account, and whether alone or jointly with any other person, have been paid.
75. **APPOINTMENT OF PROXIES.** A Member shall be entitled to be present and to vote on any question either personally or by proxy, or as proxy for another Member at any general meeting, or upon a poll and to be reckoned in a quorum in respect of any fully paid-up shares and of any shares upon which calls due and payable to the Company shall have been paid. A proxy need not be a Member of the Company and no limit shall be imposed on the number of proxies for nominee companies. Shareholders holding shares through nominee companies may attend any general meeting as proxies. No shareholder shall be entitled so to vote or be recognised in a quorum in respect of any shares upon which any call or other sum so due and payable shall be unpaid. An instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll.

APPENDIX III – PROVISIONS IN THE ARTICLES RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

76. **INSTRUMENT APPOINTING A PROXY TO BE LEFT AT THE OFFICE.** *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority shall be deposited at the Office not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.*
77. **FORM OF PROXY.** *An instrument appointing a proxy or representative shall be in writing in the common form or any other form approved by the Directors and:-*
- (1) *in the case of an individual, shall be signed by the appointer or by his attorney; and*
- (2) *in the case of a corporation, shall be either under its common seal or signed by its attorney or by an officer on behalf of the corporation.*
78. **OMISSION TO INCLUDE PROXY FORM.** *In the event that forms of proxy are sent to Members together with any notice of meeting, the accidental omission to include the form of proxy to, or the non-receipt of such form of proxy by any person entitled to receive a notice of meeting shall not invalidate any resolution passed or any proceeding at any such meeting.*
79. **CORPORATION ACTING BY REPRESENTATIVES AT MEETING.** *Any corporation which is a Member 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, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member.”*
3. **The Rights of Shareholders in respect of Dividends, Capitalisation of Reserves and Winding Up**

“DIVIDENDS AND RESERVE

114. **DISTRIBUTION OF PROFITS.** *Subject to any preferential or other special rights for the time being attached to any special class of shares, the profits of the Company which it shall from time to time determine to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid up or credited as paid up thereon respectively otherwise than in advance of calls.*
115. **DECLARATION OF DIVIDENDS.** *The Directors may, with the sanction of a general meeting, from time to time declare dividends, but no such dividend shall be payable except out of the profits of the Company which are not in relation to the purchase or acquisition, or sale or disposal, of treasury shares. Any dividend unclaimed after six years from the date of declaration shall be forfeited and revert to the Company. The Directors may, if they think fit, from time to time declare and pay to the Members such interim dividends as appear to them to be justified by the position of the Company, and may also from time to time if in their opinion such payment is so justified, pay any preferential dividends which by the terms of issue of any shares are made payable on fixed dates. No higher dividend shall be paid than is recommended by the Directors, and the declaration of the Directors as to the amount of the net profits shall be conclusive. Subject to the provisions of the Act where any asset, business or property is bought by the Company as from a past date upon the terms that the Company shall as from that date take the profits and bear the losses, thereof, such profits or losses, as the case may be, shall, at the discretion of the Directors, be credited or debited wholly or in part to revenue account, and in that case the amount so credited or debited shall, for the purpose of ascertaining the fund available for dividend be included accordingly. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest by the Company, such dividend or interest when paid may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.*

APPENDIX III – PROVISIONS IN THE ARTICLES RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

116. **DEDUCTION FROM DIVIDEND.** *The Directors may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.*
117. **RETENTION OF DIVIDENDS ON SHARES SUBJECT TO LIEN.** *The Directors may retain any dividends 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 the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*
118. **RETENTION OF DIVIDENDS ON SHARES PENDING TRANSMISSION.** *The Directors may retain the dividends payable on 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 under those provisions is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.*
119. **PAYMENT OTHERWISE THAN IN CASH.** *Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Member 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. Any shares allotted as fully paid bonus shares in respect of the treasury shares shall be treated for the purposes of this Act as if they were purchased by the Company at the time they were allotted.*
120. **DIRECTORS MAY FORM RESERVE FUND AND INVEST.** *The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves, which shall at the discretion of the Directors be applicable for meeting contingencies, or for repairing or maintaining any works connected with the business of the Company, or for equalising dividends, or for distribution by way of special dividend or bonus, or may be applied for such other purposes for which the profits of the Company may lawfully be applied as the Directors may think expedient in the interests of the Company, and pending such application the Directors may employ the sums from time to time so set apart as aforesaid in the business of the Company or invest the same in such securities, other than the shares of the Company, as they may select. The Directors may also from time to time carry forward such sums as they may deem expedient in the interests of the Company.*
121. **DIVIDEND WARRANTS TO BE POSTED TO MEMBERS.** *Every dividend warrant may, unless otherwise directed, be sent by post to the last registered address of the Member entitled thereto, and the receipt of the person, whose name at the date of the declaration of the dividend appears on the Register of Members or (as the case may be) the Depository Register as the owner of any share or, in the case of joint holders or joint Depositors, of any one of such joint holders or joint Depositors, shall be a good discharge to the Company for all payments made in respect of such share. No unpaid dividend or interest shall bear interest as against the Company.*

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

CAPITALISATION OF PROFITS

122. COMPANY MAY CAPITALISE RESERVES AND UNDIVIDED PROFITS.

- (A) *The Company in general meeting may at any time and from time to time pass a resolution that any sum not required for the payment or provision of any fixed preferential dividend, and (1) for the time being standing to the credit of any reserve accounts of the Company, or (2) being undivided net profits in the hands of the Company, be capitalised, and that such sum be appropriated as capital to and amongst the ordinary shareholders in the proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the ordinary shares, and in such manner as the resolution may direct, and such resolution shall be effective; and the Directors shall in accordance with such resolution apply such sum or any part thereof on behalf of the shareholders aforesaid in paying up the whole or part of any uncalled balance which shall for the time being be unpaid in respect of any issued ordinary shares held by such shareholders or otherwise deal with such sum as directed by such resolution. Where any difficulty arises in respect of any such distribution, the Directors may settle the same as they think expedient, and in particular they may issue fractional certificates, fix the value for distribution of any fully paid-up shares or debentures, make cash payments to any shareholders on the footing of the value so fixed in order to adjust rights, and vest any such shares or debentures in trustees upon such trust for the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors. When deemed requisite, a proper contract for the allotment and acceptance of any shares to be distributed as aforesaid shall be delivered to the Accounting and Corporate Regulatory Authority for registration in accordance with the Act and the Directors may appoint any person to sign such contract on behalf of the persons entitled to share in the appropriation and distribution and such appointment shall be effective.*
- (B) *In addition and without prejudice to the power to capitalise profits and other moneys provided for by this Article, the Directors shall have power to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full unissued shares on terms that such shares shall, upon issue, be held by or for the benefit of non-executive directors as part of their remuneration under Article 84 approved by shareholders in general meeting in such manner and on such terms as the Directors shall think fit. The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation authorised pursuant to this Article 122(B).*

WINDING UP

132. **DISTRIBUTION IN SPECIE.** *If the Company shall be wound up, the liquidators may, with the sanction of a special resolution, divide among the Members in specie any part of the assets of the Company and any such division may be otherwise than in accordance with the existing rights of the Members, but so that if any division is resolved otherwise than in accordance with such rights the Members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to the Act. A special resolution sanctioning a transfer or sale to another company duly passed pursuant to the Act may in like manner authorise the distribution of any shares or other consideration receivable by the liquidators amongst the Members otherwise than in accordance with their existing rights, and any such determination shall be binding upon all the Members subject to the right of dissent and consequential rights conferred by the Act."*

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014



LCD Global Investments Ltd

Company Registration No.197301118N
(Incorporated in the Republic of Singapore)

UNAUDITED SECOND QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2014

INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT

	Group			Group		
	Quarter Ended		Change	Six Months Ended		Change
	31.12.2014	31.12.2013		31.12.2014	31.12.2013	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	13,969	14,925	(6)	26,618	27,624	(4)
Cost of sales	(6,963)	(7,512)	(7)	(13,771)	(14,713)	(6)
Gross profit	7,006	7,413	(5)	12,847	12,911	-
Other operating income	430	223	93	784	359	118
Marketing expenses	(614)	(615)	-	(1,221)	(1,187)	3
Administrative expenses	(3,767)	(3,876)	(3)	(10,065)	(7,382)	36
Other operating expenses	(1,470)	(1,765)	(17)	(3,078)	(3,342)	(8)
Operating profit/(loss)	1,585	1,380	15	(733)	1,359	NM
Finance costs	(491)	(473)	4	(954)	(919)	4
Share of results of associated and joint venture companies	10,675	632	1,589	10,886	1,331	718
Exceptional item	(357)	-	NM	(357)	-	NM
Profit before taxation	11,412	1,539	642	8,842	1,771	399
Taxation	(625)	(818)	(24)	(1,114)	(1,398)	(20)
Profit for the period	10,787	721	1,396	7,728	373	1,972
Attributable to :						
Shareholders of the Company	9,981	(209)	NM	6,655	(900)	NM
Non-controlling interests	806	930	(13)	1,073	1,273	(16)
	10,787	721	1,396	7,728	373	1,972

Notes to Income Statement :

1. Included in revenue were :

	Group			Group		
	Quarter Ended		Change	Six Months Ended		Change
	31.12.2014	31.12.2013		31.12.2014	31.12.2013	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income from advances to an associated company	-	-	-	1	1	-
Dividend income from investment securities	-	200	(100)	-	200	(100)

'NM' : Not meaningful.

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

Notes to Income Statement :

2. Cost of sales comprised mainly direct costs and overheads in respect of the Group's hospitality and leisure businesses.
3. Profit before taxation is stated after crediting/(charging) :

	Group			Group		
	Quarter Ended		Change %	Six Months Ended		Change %
	31.12.2014	31.12.2013		31.12.2014	31.12.2013	
	S\$'000	S\$'000		S\$'000	S\$'000	
(a) Other operating income :						
Interest income from :						
- Fixed deposits	131	67	96	197	145	36
- Loan to a non-controlling interest	-	-	-	-	3	(100)
Gain on sale of property, plant and equipment, net	-	-	-	3	-	NM
Foreign currency gains (*)	239	-	NM	467	-	NM
Rental income from investment property	56	56	-	112	109	3
Others	4	100	(96)	5	102	(95)
	430	223	93	784	359	118
(b) Depreciation of property, plant and equipment	(1,836)	(1,860)	(1)	(3,698)	(3,732)	(1)
(c) Depreciation of investment property	(86)	(86)	-	(172)	(172)	-
(d) Amortisation of club memberships	(4)	(4)	-	(8)	(8)	-
(e) Bad debts written off	(2)	-	NM	(2)	-	NM
(f) Provision for doubtful debts, net	-	(1)	(100)	-	(1)	(100)
(g) Loss on sale of property, plant and equipment, net	-	(25)	(100)	-	(94)	(100)
(h) Property, plant and equipment written off	(20)	-	NM	(203)	(10)	1,930
(i) Share-based compensation expense	-	(19)	(100)	-	(38)	(100)
(j) Foreign currency losses (*)	-	(313)	(100)	-	(406)	(100)
(k) Exceptional item :						
Impairment loss on property, plant and equipment (#)	(357)	-	NM	(357)	-	NM

* Gain on exchange in the quarter under review was mainly attributable to the strengthening of Thai Baht and US Dollar against Singapore Dollar. In the corresponding quarter last year, Thai Baht had weakened against Singapore Dollar.

This was a provision for impairment loss in respect of the land at Rawai in Phuket, Thailand.

4. The major components of income tax expense were :

	Group			Group		
	Quarter Ended		Change %	Six Months Ended		Change %
	31.12.2014	31.12.2013		31.12.2014	31.12.2013	
	S\$'000	S\$'000		S\$'000	S\$'000	
Current tax						
Current year	500	653	(23)	897	1,337	(33)
Under provision in respect of prior years	52	13	300	54	1	5,300
Deferred tax						
Origination and reversal of temporary differences	73	152	(52)	163	60	172
	625	818	(24)	1,114	1,398	(20)

The lower current tax expense in the quarter under review was mainly because some subsidiaries were in tax loss positions and the statutory tax rate in the United Kingdom had dropped by 2% from 23% to 21% with effect from April 2014.

The favourable variance of deferred tax in the quarter under review was mainly due to movements in temporary difference in respect of unabsorbed tax losses and capital allowances and the timing of remittance of interest income.

'NM' : Not meaningful.

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	Quarter Ended		Change %	Six Months Ended		Change %
	31.12.2014	31.12.2013		31.12.2014	31.12.2013	
	S\$'000	S\$'000		S\$'000	S\$'000	
Profit for the period	10,787	721	1,396	7,728	373	1,972
Other comprehensive income/(loss) :						
<u>Items that may be reclassified subsequently to income statement</u>						
Foreign currency translation (Note 1)	2,194	(3,231)	NM	4,312	(2,929)	NM
Fair value gain on investment securities	33	46	(28)	15	48	(69)
<u>Items that will not be reclassified to income statement</u>						
Net surplus on revaluation of property, plant and equipment (Note 2)	9,936	-	NM	9,936	-	NM
Adjustments of deferred tax liabilities to asset revaluation reserve (Note 2)	(2,295)	-	NM	(2,295)	-	NM
	9,868	(3,185)	NM	11,968	(2,881)	NM
Total comprehensive income/(loss) for the period	20,655	(2,464)	NM	19,696	(2,508)	NM
Attributable to :						
Shareholders of the Company	15,691	(1,539)	NM	13,354	(1,321)	NM
Non-controlling interests	4,964	(925)	NM	6,342	(1,187)	NM
	20,655	(2,464)	NM	19,696	(2,508)	NM

Notes to Statement of Comprehensive Income :

- Foreign currency translation comprised exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency (Singapore Dollar); and the realisation of such exchange differences to the income statement. Translation is based on the rates of exchange of the respective foreign currencies at the end of the reporting period.

In the quarter under review, there was a translation gain mainly because Thai Baht, US Dollar and Renminbi had strengthened against Singapore Dollar. The gain was partially offset by the translation loss of Sterling Pound as this currency had weakened against Singapore Dollar.

In the corresponding quarter last year, the weaker Thai Baht against Singapore Dollar had resulted in a significant translation loss.

- The net surplus was in respect of a net increase in the fair values of the Group's land and buildings arising from a revaluation exercise carried out. Provision for deferred tax was adjusted as a result of the net increase in fair values.

'NM' : Not meaningful.

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

1(b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	31.12.2014	30.06.2014	31.12.2014	30.06.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	297,253	283,796	-	541
Investment property	8,764	8,936	-	-
Intangible assets	155	161	101	108
Subsidiary companies	-	-	288,704	284,732
Associated companies	1,572	1,574	-	-
Joint venture companies	83,751	74,018	-	-
Investment securities	5,061	5,061	-	-
Prepayments	1,599	-	-	-
Deferred tax assets	88	99	-	-
	398,243	373,645	288,805	285,381
Current assets				
Investment securities	202	188	-	-
Inventories	548	504	-	-
Trade receivables	1,653	1,296	-	-
Other receivables	1,322	2,267	90	83
Tax recoverable	-	2	-	-
Prepayments	737	518	73	24
Cash and short-term deposits	30,548	35,287	1,039	4,413
	35,010	40,062	1,202	4,520
Current liabilities				
Provision	56	56	-	-
Trade payables	2,326	2,770	-	-
Other payables and accruals	8,427	7,476	317	613
Amount due to a subsidiary company	-	-	-	1,636
Provision for taxation	869	936	-	-
Hire purchase creditors	83	203	-	120
Term loans	16,782	5,985	10,500	-
	28,543	17,426	10,817	2,369
Net current assets/(liabilities)	6,467	22,636	(9,615)	2,151
Non-current liabilities				
Provision	43	43	-	-
Hire purchase creditors	165	527	-	320
Term loans	37,606	40,002	-	-
Deferred tax liabilities	25,948	23,107	-	-
	63,762	63,679	-	320
Net assets	340,948	332,602	279,190	287,212
Equity attributable to shareholders of the Company				
Share capital	209,285	209,232	209,285	209,232
Treasury shares	(144)	(393)	(144)	(393)
Reserves	76,643	73,639	70,049	78,373
	285,784	282,478	279,190	287,212
Non-controlling interests	55,164	50,124	-	-
Total equity	340,948	332,602	279,190	287,212

Notes to Statement of Financial Position :

Group

- The increase in property, plant and equipment was mainly attributable to a net increase in the fair values of the Group's properties and additions of fixed assets in the refurbishment of its properties.
- The increase in joint venture companies was mainly attributable to the Group's share of profit recognised by the joint venture company in Xuzhou, PRC upon its delivery of 463 apartment units to the buyers in the quarter under review. Approval to hand over the units of Phase I of its residential development to buyers was obtained on 7 November 2014.

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

Notes to Statement of Financial Position :

Group

3. Prepayments under non-current assets comprised advance payments for the acquisition of new assets in respect of the refurbishment of Crowne Plaza London Kensington.
4. The decrease in other receivables was mainly because dividend receivable from a joint venture company at the end of the last financial year was received in the first quarter of this financial year.
5. The increase in other payables and accruals was mainly because of refurbishment costs accrued in the quarter under review.
6. The decrease in hire purchase creditors (under both current and non-current liabilities) was mainly because the Company's motor vehicle under hire purchase was disposed in the first quarter of this financial year.
7. The increase in short-term bank loans was mainly due to the draw down of short-term revolving credit facilities of S\$10.5 million by the Company for payment of a first and final dividend of 1 cent per share to shareholders in November 2014. The decrease in long-term bank loans was mainly because of repayment of loan principals.
8. The increase in deferred tax liabilities was mainly due to provision for deferred tax arising from the net increase in fair values of the Group's properties.

Company

9. The decrease in cash and short-term deposits was mainly due to inter-company repayment and advances to subsidiary companies.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.12.2014		As at 30.06.2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
15,865	1,000	6,188	-

Amount repayable after one year

As at 31.12.2014		As at 30.06.2014	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
37,771	-	40,529	-

Details of any collaterals

The Group's borrowings which are secured comprised :

1. A term loan of S\$33.3 million secured by :
 - a mortgage on the freehold land and building owned by a company in the Group.
 - a fixed and floating charge over the assets of a company in the Group.
 - a pledge of shares of a company in the Group.
2. 2 term loans of S\$10.6 million secured by :
 - a mortgage on the freehold land and buildings owned by a company in the Group.
3. A revolving credit facility of S\$9.5 million :
 - a pledge of shares of a company in the Group.
4. Finance leases of motor vehicles for S\$0.2 million.

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	Quarter Ended		Six Months Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities :				
Profit before taxation	11,412	1,539	8,842	1,771
Adjustments for :				
Depreciation of property, plant and equipment	1,836	1,860	3,698	3,732
Depreciation of investment property	86	86	172	172
(Gain)/loss on sale of property, plant and equipment	-	25	(3)	94
Property, plant and equipment written off	20	-	203	10
Share of results of associated and joint venture companies	(10,675)	(632)	(10,886)	(1,331)
Amortisation of club memberships	4	4	8	8
Share-based compensation expense	-	19	-	38
Dividend income from investment securities	-	(200)	-	(200)
Interest income	(131)	(67)	(198)	(149)
Finance costs	491	473	954	919
Exceptional item	357	-	357	-
Currency realignment	(205)	311	(574)	439
Operating profit before reinvestment in working capital	3,195	3,418	2,573	5,503
(Increase)/decrease in inventories	(16)	36	(44)	3
Increase in receivables and prepayments	(2,074)	(975)	(2,122)	(1,043)
Increase/(decrease) in payables	1,884	408	442	(1,920)
Cash flows generated from operations	2,989	2,887	849	2,543
Interest received	117	77	184	146
Interest paid	(376)	(467)	(838)	(921)
Income taxes paid	(712)	(1,327)	(1,073)	(2,159)
Net cash flows from/(used in) operating activities	2,018	1,170	(878)	(391)
Cash flows from investing activities :				
Dividends received	-	2,950	3,688	2,950
Proceeds from sale of property, plant and equipment	4	166	523	191
Purchase of property, plant and equipment	(3,258)	(3,013)	(5,641)	(6,879)
Net cash flows (used in)/from investing activities	(3,254)	103	(1,430)	(3,738)
Cash flows from financing activities :				
Proceeds from bank loans	13,181	1,269	14,757	2,970
Repayment of bank loans	(5,231)	(2,078)	(5,591)	(2,444)
Proceeds from exercise of share options	107	-	239	-
Repayment of advances by an associated company	-	54	-	54
Repayment of loan by a non-controlling interest	-	234	-	234
Decrease in hire purchase creditors	(21)	(49)	(482)	(87)
Dividends paid by the Company	(10,534)	(6,731)	(10,534)	(6,731)
Dividends paid to non-controlling interests	(814)	(1,384)	(1,364)	(1,519)
Net cash flows used in financing activities	(3,312)	(8,685)	(2,975)	(7,523)
Net decrease in cash and cash equivalents	(4,548)	(7,412)	(5,283)	(11,652)
Effects of exchange rate changes on opening cash and cash equivalents	269	(403)	541	(448)
Cash and cash equivalents at beginning of period	34,733	42,500	35,196	46,785
Cash and cash equivalents at end of period	30,454	34,685	30,454	34,685

Note to Statement of Cash Flows :

Cash and cash equivalents comprised the following amounts :

	Group	
	Six Months Ended	
	31.12.2014	31.12.2013
	S\$'000	S\$'000
Fixed deposits	14,204	18,153
Cash and bank balances	16,344	16,623
Cash and short-term deposits per Consolidated Statement of Financial Position	30,548	34,776
Less : Fixed deposits pledged	(94)	(91)
Cash and cash equivalents per Consolidated Statement of Cash Flows	30,454	34,685

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014

	Attributable to shareholders of the Company							Non-controlling interests	Total equity			
	Share capital	Treasury shares	Capital and other reserves	Legal reserve	Foreign currency translation reserve	Asset revaluation reserve	Share-based compensation reserve			Other reserves	Revenue reserve	Total reserves
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2015 Group												
As at 1 October 2014	209,267	(263)	38,145	60	(18,215)	55,696	103	501	33,371	71,516	51,014	331,534
Total comprehensive income for the period	-	-	5,710	-	1,717	3,967	-	26	9,981	15,691	4,964	20,655
Transfer of treasury shares on exercise of share options	18	119	(30)	-	-	-	(30)	-	-	(30)	-	107
Transfer from legal reserve	-	-	(20)	(20)	-	-	-	-	20	-	-	-
Dividend paid by the Company	-	-	-	-	-	-	-	-	(10,534)	(10,534)	-	(10,534)
Dividend paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	-	(814)	(814)
As at 31 December 2014	209,285	(144)	43,805	40	(16,498)	59,663	73	527	32,838	76,643	55,164	340,948

	Attributable to shareholders of the Company							Non-controlling interests	Total equity			
	Share capital	Treasury shares	Capital and other reserves	Legal reserve	Foreign currency translation reserve	Asset revaluation reserve	Share-based compensation reserve			Other reserves	Revenue reserve	Total reserves
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2014 Group												
As at 1 October 2013	206,274	(464)	27,878	61	(18,298)	45,077	673	365	56,599	84,477	54,426	344,713
Total comprehensive (loss)/income for the period	-	-	(1,330)	-	(1,366)	-	-	36	(209)	(1,539)	(925)	(2,464)
Share-based compensation expense	-	-	19	-	-	-	19	-	-	19	-	19
Dividends paid by the Company	-	-	-	-	-	-	-	-	(6,731)	(6,731)	-	(6,731)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,384)	(1,384)
Increase in net assets of a joint venture company	-	-	-	-	-	-	-	-	247	247	62	309
As at 31 December 2013	206,274	(464)	26,567	61	(19,664)	45,077	692	401	49,906	76,473	52,179	334,462

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

2015 Group	Attributable to shareholders of the Company										Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital and other reserves	Legal reserve	Foreign currency translation reserve	Asset revaluation reserve	Share-based compensation reserve	Other reserves	Revenue reserve	Total reserves		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 July 2014	209,232	(393)	37,191	60	(19,218)	55,696	138	515	36,448	73,639	50,124	332,602
Total comprehensive income for the period	-	-	6,699	-	2,720	3,967	-	12	6,655	13,354	6,342	19,696
Transfer of treasury shares on exercise of share options	53	249	(63)	-	-	-	(63)	-	-	(63)	-	239
Transfer from legal reserve	-	-	(20)	(20)	-	-	-	-	20	-	-	-
Lapsing of share options	-	-	(2)	-	-	-	(2)	-	2	-	-	-
Dividend paid by the Company	-	-	-	-	-	-	-	-	(10,534)	(10,534)	-	(10,534)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,364)	(1,364)
Increase in net assets of a joint venture company	-	-	-	-	-	-	-	-	247	247	62	309
As at 31 December 2014	209,285	(144)	43,805	40	(16,498)	59,663	73	527	32,838	76,643	55,164	340,948

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2014 Group	Attributable to shareholders of the Company										Non-controlling interests	Total equity
	Share capital	Treasury shares	Capital and other reserves	Legal reserve	Foreign currency translation reserve	Asset revaluation reserve	Share-based compensation reserve	Other reserves	Revenue reserve	Total reserves		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 July 2013	206,274	(464)	27,083	30	(19,205)	45,077	818	363	57,157	84,240	54,823	344,873
Total comprehensive (loss)/income for the period	-	-	(421)	-	(459)	-	-	38	(900)	(1,321)	(1,187)	(2,508)
Transfer to legal reserve	-	-	31	31	-	-	-	-	(31)	-	-	-
Share-based compensation expense	-	-	38	-	-	-	38	-	-	38	-	38
Lapsing of share options	-	-	(164)	-	-	-	(164)	-	164	-	-	-
Dividends paid by the Company	-	-	-	-	-	-	-	-	(6,731)	(6,731)	-	(6,731)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,519)	(1,519)
Increase in net assets of a joint venture company	-	-	-	-	-	-	-	-	247	247	62	309
As at 31 December 2013	206,274	(464)	26,567	61	(19,664)	45,077	692	401	49,906	76,473	52,179	334,462

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014

2015 Company	Share capital S\$'000	Treasury shares S\$'000	Share-based compensation reserve S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
As at 1 October 2014	209,267	(263)	103	80,511	80,614	289,618
Total comprehensive loss for the period	-	-	-	(1)	(1)	(1)
Transfer of treasury shares on exercise of share options	18	119	(30)	-	(30)	107
Dividend paid by the Company	-	-	-	(10,534)	(10,534)	(10,534)
As at 31 December 2014	209,285	(144)	73	69,976	70,049	279,190

2014 Company	Share capital S\$'000	Treasury shares S\$'000	Share-based compensation reserve S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
As at 1 October 2013	206,274	(464)	673	84,171	84,844	290,654
Total comprehensive income for the period	-	-	-	419	419	419
Share-based compensation expense	-	-	19	-	19	19
Dividends paid by the Company	-	-	-	(6,731)	(6,731)	(6,731)
As at 31 December 2013	206,274	(464)	692	77,859	78,551	284,361

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

2015 Company	Share capital S\$'000	Treasury shares S\$'000	Share-based compensation reserve S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
As at 1 July 2014	209,232	(393)	138	78,235	78,373	287,212
Total comprehensive income for the period	-	-	-	2,273	2,273	2,273
Transfer of treasury shares on exercise of share options	53	249	(63)	-	(63)	239
Lapsing of share options	-	-	(2)	2	-	-
Dividend paid by the Company	-	-	-	(10,534)	(10,534)	(10,534)
As at 31 December 2014	209,285	(144)	73	69,976	70,049	279,190

2014 Company	Share capital S\$'000	Treasury shares S\$'000	Share-based compensation reserve S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
As at 1 July 2013	206,274	(464)	818	84,484	85,302	291,112
Total comprehensive loss for the period	-	-	-	(58)	(58)	(58)
Share-based compensation expense	-	-	38	-	38	38
Lapsing of share options	-	-	(164)	164	-	-
Dividends paid by the Company	-	-	-	(6,731)	(6,731)	(6,731)
As at 31 December 2013	206,274	(464)	692	77,859	78,551	284,361

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

- 1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Since the end of the previous period reported on, 760,000 share options were exercised pursuant to the LCD Share Option Scheme (“Option Scheme”) and were satisfied by transfer of treasury shares.

The Company’s issued and fully paid-up shares as at 31 December 2014 comprised 1,053,414,464 (31 December 2013 : 1,035,614,464) ordinary shares with voting rights and 922,000 (31 December 2013 : 3,162,000) ordinary shares (treasury shares) with no voting rights.

Under the Option Scheme, the number of shares that may be issued on conversion of all the outstanding share options as at 31 December 2014 was 2,225,000 (31 December 2013 : 20,945,000) shares.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31.12.2014	30.06.2014
Total number of ordinary shares excluding treasury shares	1,053,414,464	1,051,714,464

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

As at the end of the current financial period, 1,700,000 treasury shares were transferred upon exercise of share options granted under the Option Scheme.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The financial information as set out in sections 1, 3, 4, 5, 11 and 12 of this announcement have been extracted from the condensed interim financial information that have been reviewed in accordance with Singapore Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

- 3 Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).**

The Independent Auditor’s Report on Review of Condensed Interim Financial Information dated 6 February 2015 is attached as Appendix 1. There is no qualification or emphasis of matter in the report.

The independent financial adviser to the Directors of the Company who are considered independent for the purpose of the Offer (as defined herein), Provenance Capital Pte. Ltd. (“Independent Financial Adviser”), has examined the Unaudited Second Quarter Financial Statements of the Group for the period ended 31 December 2014 pursuant to Rule 25 of the Singapore Code on Take-overs and Mergers and its letter dated 6 February 2015 is attached as Appendix 2.

- 4 Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.**

The financial statements have been prepared based on the accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements for the year ended 30 June 2014.

The adoption of the new and revised Financial Reporting Standards (“FRS”) and Interpretations of FRS relevant to the Group’s operations which are effective for annual periods beginning on 1 July 2014 does not have a material impact on the financial statements.

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings/(loss) per ordinary share of the Group after deducting any provision for preference dividends :-	Group Quarter Ended	
	31.12.2014	31.12.2013
(a) Based on weighted average number of ordinary shares in issue	0.95 cent	(0.02) cent
(b) On a fully diluted basis	0.95 cent	(0.02) cent
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,053,265	1,035,614
Adjustment for assumed exercise of share options granted under the LCD Share Option Scheme ('000)	1,245	381
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,054,510	1,035,995

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-**

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	31.12.2014	30.06.2014	31.12.2014	30.06.2014
Net asset ⁽¹⁾ value per ordinary share ⁽²⁾ attributable to shareholders of the Company	S\$0.27	S\$0.27	S\$0.27	S\$0.27

⁽¹⁾ Net asset is defined as total equity less non-controlling interests.

⁽²⁾ Based on total number of shares (excluding treasury shares which have no voting rights) as at the end of the financial period.

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Revenue

Revenue of the Group for the quarter under review of S\$14.0 million was S\$0.9 million or 6% lower than the revenue reported in the corresponding quarter last year. The breakdown by sector is as follows :

Hotel

Revenue of S\$12.2 million was S\$0.1 million or 1% higher than the corresponding quarter last year.

Crowne Plaza London Kensington continued to perform well and had achieved higher occupancy and food and beverage revenue. The average exchange rate of Sterling Pound against Singapore Dollar was also higher in the quarter under review compared to the preceding corresponding quarter.

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

With full room inventory available for sale since 27 July 2014 after completion of its Main Wing room refurbishment, Holiday Inn Resort Phuket turned in a higher room revenue in the quarter under review. However, the increase in room revenue was fully offset by a drop in food and beverage revenue due to the closure of a restaurant for refurbishment. As a result, the overall revenue of this hotel was marginally lower than the same quarter last year.

Serviced Residence

Revenue of S\$1.0 million was S\$0.1 million or 12% lower than the corresponding quarter last year.

The performance of Parkview Executive Suites in Vientiane, Laos was affected by the closure of rooms for the rebranding exercise. This serviced residence commenced operating as Somerset Vientiane with effect from 9 December 2014.

Cityview Apartments and Commercial Centre in Ho Chi Minh City, Vietnam had performed better mainly because the occupancy rate of its apartments had improved.

Leisure and Others

Revenue of S\$0.8 million was S\$0.7 million or 46% lower than the corresponding quarter last year.

With the closure of 3 outlets in April 2014 and a drop in its business, the revenue of the Group's family entertainment business had fallen.

Property

This sector recorded a small revenue of S\$23,000 compared to S\$0.2 million in the corresponding quarter last year. Revenue in the corresponding quarter last year was in respect of a dividend income received.

Costs and Expenses

Other operating expenses for the quarter under review were lower than the preceding corresponding quarter. An exchange loss was incurred in the corresponding quarter last year due to the weakening of Thai Baht against Singapore Dollar; whereas the position was the reverse in the quarter under review and an exchange gain was recognised as Thai Baht and US Dollar had strengthened against Singapore Dollar.

Operating Profit

Group operating profit for the quarter under review of S\$1.6 million was S\$0.2 million or 15% higher than the corresponding quarter last year. The breakdown by sector is as follows :

Hotel

This sector made an operating profit of S\$2.4 million which was S\$0.8 million or 46% higher than the corresponding quarter last year. The increase was mainly because of lower other operating expenses as explained under "Costs and Expenses" above, lower administrative expenses due to the retirement of a director in September 2014 and realisation of a translation gain on de-registration of a subsidiary company.

Although the revenue of Crowne Plaza London Kensington was marginally higher than the same quarter last year, there was a slight drop in the profit of this hotel mainly because of an increase in staff costs due to a higher provision for incentive pay.

The profit of Holiday Inn Resort Phuket was lower mainly because of lower revenue and higher depreciation charge arising from replacement of, additions to and improvements on fixed assets during the refurbishment exercise.

Serviced Residence

This sector made a small operating profit of S\$52,000 compared to S\$0.3 million in the corresponding quarter last year. The decrease was mainly due to the drop in revenue of the serviced residence in Vientiane, Laos as explained under "Revenue" above and the pre-opening expenses incurred for its rebranding as Somerset Vientiane.

Leisure and Others

This sector incurred an operating loss of S\$0.6 million which was S\$0.1 million or 26% higher than the corresponding quarter last year mainly because of the decline in performance of the Group's family entertainment business.

Property

This sector incurred an operating loss of S\$0.2 million compared to a breakeven position in the corresponding quarter last year. As explained under "Revenue" above, a dividend income was received in the corresponding quarter last year.

Results of Associated and Joint Venture Companies

The Group's share of results of its associated and joint venture companies for the quarter under review was a profit of S\$10.7 million compared to a profit of S\$0.6 million in the corresponding quarter last year.

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

The significant increase was mainly attributable to our share of profit of the joint venture company in Xuzhou, PRC. This joint venture had obtained approval to hand over the apartment units of Phase I of its residential development to the buyers on 7 November 2014; and had recognised the profit in respect of 463 apartment units handed over to the buyers in the quarter under review.

The Group's share of results of Knight Frank Pte Ltd and its subsidiaries was lower compared to the preceding corresponding quarter mainly because of a drop in commission income as fewer transactions were closed by its industrial property and international property market divisions in the quarter under review.

Working Capital

The negative working capital of the Company as at 31 December 2014 was mainly due to short-term revolving credit facilities drawn down for payment of a first and final dividend of 1 cent per share to shareholders in November 2014.

9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As the property market in China currently remains weak with little or no sign of improvement in the short term particularly in third tier cities, the take up rate of the residential apartments of our Xuzhou project had been affected. In aggregate, 471 units out of 798 Phase I units and 37 units out of 408 Phase II units have been sold to-date. The permit to hand over the Phase I units to the buyers was obtained on 7 November 2014.

Works for the Group's resort project at Rawai, in Phuket, Thailand have not commenced and the plans for this project are still under review.

The Group's serviced residence in Vientiane, Laos commenced operating as Somerset Vientiane from 9 December 2014 after a refurbishment of its guest rooms, lobby and breakfast lounge. The serviced residence will be managed by The Ascott Limited for two years before it transitions into a franchise structure.

On 12 January 2015, DBS Bank Ltd. ("DBS Bank") announced, for and on behalf of AF Global Pte. Ltd. (the "Offeror"), a voluntary conditional cash offer (the "Offer Announcement") for all the issued and paid-up ordinary shares (the "Shares") (excluding Shares held in treasury) in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the "Offer").

On 29 January 2015, the formal document containing the terms and conditions of the Offer (the "Offer Document") was despatched to shareholders of the Company. Pursuant to the Offer Document, acceptances of the Offer must be received no later than 5.30 p.m. (Singapore time) on 26 February 2015 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

On 4 February 2015, DBS Bank announced, for and on behalf of the Offeror, that the Offer had become and was declared unconditional in all respects (the "Unconditional Announcement"); and the Offer will remain open for acceptance until 5.30 p.m. (Singapore time) on 12 March 2015, being 14 days after 26 February 2015, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Copies of the Offer Announcement, the Offer Document and the Unconditional Announcement are available on the website of Singapore Exchange Securities Trading Limited at www.sgx.com.

11 **Dividend.**

(a) Current Financial Period Reported On.

Any dividend declared for the current financial period reported on?

None.

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

(b) Corresponding Period of the Immediately Preceding Financial Year.

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable.

Not applicable.

(d) Books closure date.

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the current financial period reported on.

13 Confirmation pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

The Company does not have a general mandate from shareholders for interested person transactions.

14 Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual.

The Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors which may render the Unaudited Financial Statements for the Second Quarter ended 31 December 2014 to be false or misleading in any material respect.

On behalf of the Board of Directors

Kelvin Lum Wen Sum
Director

Iris Wu Hwee Tan
Director

BY ORDER OF THE BOARD
Iris Wu Hwee Tan
Company Secretary

6 February 2015

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

UNAUDITED SECOND QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2014

The Singapore Code on Take-overs and Mergers

The Unaudited Second Quarter Financial Statements of the Group for the period ended 31 December 2014 have been reported on by the Independent Auditors in accordance with the Singapore Code on Take-overs and Mergers.

The Unaudited Second Quarter Financial Statements of the Group for the period ended 31 December 2014 have been examined by the Independent Financial Adviser in accordance with Rule 25 of the Singapore Code on Take-overs and Mergers.

Directors' Responsibility Statement

The Directors of the Company (including those who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed herein are fair and accurate and that there are no other material facts not contained herein, the omission of which would make any statement in this announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors of the Company has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced herein.

The Directors of the Company jointly and severally accept responsibility accordingly.

Auditor's Consent

Ernst & Young LLP has given and has not withdrawn its consent to the release of the Unaudited Second Quarter Financial Statement Announcement for the period ended 31 December 2014 with the inclusion therein of its name and the Independent Auditor's Report on Review of Condensed Interim Financial Information dated 6 February 2015.

Independent Financial Adviser's Consent

Provenance Capital Pte. Ltd. has given and has not withdrawn its consent to the release of the Unaudited Second Quarter Financial Statement Announcement for the period ended 31 December 2014 with the inclusion therein of its name and its letter dated 6 February 2015.

BY ORDER OF THE BOARD
Iris Wu Hwee Tan
Company Secretary

6 February 2015

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

Appendix 1

LCD Global Investments Ltd and Subsidiary Companies

Independent Auditor's Report to the Board of Directors of LCD Global Investments Ltd

Report on Review of Condensed Interim Financial Information

Introduction

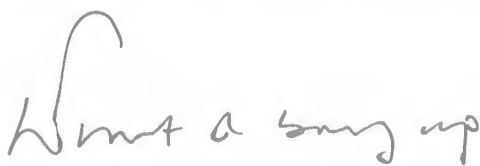
We have reviewed the condensed interim financial information of LCD Global Investments Ltd (the "Company") and its subsidiary companies (collectively, the "Group") set out on pages 2 to 31, which comprise the condensed interim balance sheets of the Group and the Company as of 31 December 2014, and the related condensed interim income statement and statement of comprehensive income of the Group, statements of changes in equity of the Group and the Company and cash flow statement of the Group for the six months ended 31 December 2014, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Singapore Financial Reporting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information are not prepared, in all material respects, in accordance with Singapore Financial Reporting Standard 34, 'Interim Financial Reporting'.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

6 February 2015

APPENDIX IV – INTERIM FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

Appendix 2



6 February 2015

The Board of Directors
LCD Global Investments Ltd.
14 Kung Chong Road
#06-01, Lum Chang Building
Singapore 159150

Dear Sirs / Madam,

VOLUNTARY CONDITIONAL CASH OFFER BY DBS BANK LTD., FOR AND ON BEHALF OF AF GLOBAL PTE. LTD. ("OFFEROR"), TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES (OTHER THAN TREASURY SHARES) IN THE CAPITAL OF LCD GLOBAL INVESTMENTS LTD. ("COMPANY") OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND THE RELEVANT CONCERT PARTIES

On 4 February 2015, DBS Bank had announced, for and on behalf of the Offeror, that the Offer had become unconditional in all respects as the Offeror and the Concert Parties had fulfilled the Minimum Acceptance Condition.

This letter has been prepared in relation to the announcement dated 6 February 2015 by the Company on its unaudited financial statements for the six months ended 31 December 2014 ("**6M2015 Results**") of the Company and its subsidiaries ("**Group**").

This Letter has been prepared in connection with the Offer pursuant to Rule 25 of the Singapore Code on Take-over and Mergers.

We have examined and held discussions with the management and the Company's directors ("**Directors**") on the 6M2015 Results. The 6M2015 Results are solely the responsibility of the Directors. We have also considered the Independent Auditor's Report to the Board of Directors of the Company dated 6 February 2015 issued by Ernst & Young LLP ("**EY**") in relation to their review of the 6M2015 Results. EY had conducted their review in accordance with Singapore Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

For the purpose of rendering our opinion on the 6M2015 Results, we have relied upon and assumed the accuracy and completeness of all financial and other information provided to and/or discussed with us. Save as provided in this letter, we do not express any other opinion on the 6M2015 Results.

Based on the foregoing, we are of the opinion that the 6M2015 Results had been made by the Directors after due and careful enquiry.

This letter is addressed to the Directors for the sole purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any person (other than the Directors of the Company) in respect of, arising out of, or in connection with this letter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Handwritten signature of Wong Bee Eng in blue ink.

Wong Bee Eng
Chief Executive Officer

Handwritten signature of Terence Lim in blue ink.

Terence Lim
Director

Provenance Capital Pte. Ltd.
Co. Reg. No: 200309056E

96 Robinson Road, #13-01 SIF Building, Singapore 068899 | Tel : (65) 6227 1580/5810 | Fax : (65) 6224 3116/6316

APPENDIX V – REPORT OF EY IN RELATION TO THE REVIEW OF THE CONDENSED INTERIM FINANCIAL INFORMATION OF THE GROUP FOR THE PERIOD ENDED 31 DECEMBER 2014

LCD Global Investments Ltd and Subsidiary Companies

Independent Auditor's Report to the Board of Directors of LCD Global Investments Ltd

Report on Review of Condensed Interim Financial Information

Introduction

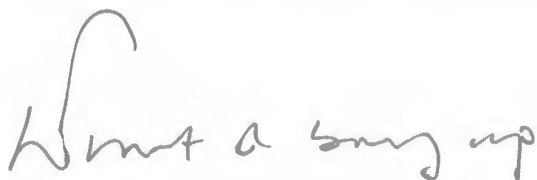
We have reviewed the condensed interim financial information of LCD Global Investments Ltd (the "Company") and its subsidiary companies (collectively, the "Group") set out on pages 2 to 31, which comprise the condensed interim balance sheets of the Group and the Company as of 31 December 2014, and the related condensed interim income statement and statement of comprehensive income of the Group, statements of changes in equity of the Group and the Company and cash flow statement of the Group for the six months ended 31 December 2014, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Singapore Financial Reporting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information are not prepared, in all material respects, in accordance with Singapore Financial Reporting Standard 34, 'Interim Financial Reporting'.



Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

6 February 2015

**APPENDIX VI – LETTER FROM PROVENANCE IN RELATION TO THE INTERIM
FINANCIAL STATEMENTS OF THE GROUP FOR THE PERIOD ENDED
31 DECEMBER 2014**



6 February 2015

The Board of Directors
LCD Global Investments Ltd.
14 Kung Chong Road
#06-01, Lum Chang Building
Singapore 159150

Dear Sirs / Madam,

VOLUNTARY CONDITIONAL CASH OFFER BY DBS BANK LTD., FOR AND ON BEHALF OF AF GLOBAL PTE. LTD. ("OFFEROR"), TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES (OTHER THAN TREASURY SHARES) IN THE CAPITAL OF LCD GLOBAL INVESTMENTS LTD. ("COMPANY") OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND THE RELEVANT CONCERT PARTIES

On 4 February 2015, DBS Bank had announced, for and on behalf of the Offeror, that the Offer had become unconditional in all respects as the Offeror and the Concert Parties had fulfilled the Minimum Acceptance Condition.

This letter has been prepared in relation to the announcement dated 6 February 2015 by the Company on its unaudited financial statements for the six months ended 31 December 2014 ("**6M2015 Results**") of the Company and its subsidiaries ("**Group**").

This Letter has been prepared in connection with the Offer pursuant to Rule 25 of the Singapore Code on Take-over and Mergers.

We have examined and held discussions with the management and the Company's directors ("**Directors**") on the 6M2015 Results. The 6M2015 Results are solely the responsibility of the Directors. We have also considered the Independent Auditor's Report to the Board of Directors of the Company dated 6 February 2015 issued by Ernst & Young LLP ("**EY**") in relation to their review of the 6M2015 Results. EY had conducted their review in accordance with Singapore Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

For the purpose of rendering our opinion on the 6M2015 Results, we have relied upon and assumed the accuracy and completeness of all financial and other information provided to and/or discussed with us. Save as provided in this letter, we do not express any other opinion on the 6M2015 Results.

Based on the foregoing, we are of the opinion that the 6M2015 Results had been made by the Directors after due and careful enquiry.

This letter is addressed to the Directors for the sole purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any person (other than the Directors of the Company) in respect of, arising out of, or in connection with this letter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

Terence Lim
Director

Provenance Capital Pte. Ltd.
Co. Reg. No: 200309056E

96 Robinson Road, #13-01 SIF Building, Singapore 068899 | Tel : (65) 6227 1580/5810 | Fax : (65) 6224 3116/6316

APPENDIX VII – VALUATION REPORTS

American Appraisal (Thailand) Ltd.
31st Floor, Thai CC Tower,
889 South Sathorn Road
Yannawa, Sathorn Bangkok 10120
Tel. 02-6758403 Fax. 02-6758427-8

Leading /Thinking / Performing



VALUATION SUMMARY

Date	:	January 26, 2015
Report	:	We did a desktop appraisal. We did not conduct a personal inspection of the property. Our report was based on a previous report dated May 7, 2014 and the following information that were provided by LCD Global Investments Ltd: <ul style="list-style-type: none">- actual operating results for 2014;- IBP Strategic Marketing & Revenue Plan 2015 prepared by InterContinental Hotels Group;- and cash flow projection for 4 years from 2015 to 2018.
Our Reference	:	2015/131
Valuation Prepared for	:	LCD Global Investments Ltd
Property	:	Holiday Inn Resort Phuket
Address of Property	:	No. 52 between Thaweewong Road and Rat-U-Thit 200 Pi Road, Patong Sub-district, Kathu District, Phuket Province
Purpose of Valuation	:	Inclusion in the Offeree Circular pertaining to the Voluntary Conditional Cash Offer for shares in LCD Global Investments Ltd.
Tenure	:	Freehold
Total Land Area	:	19 rai 67.4 sq. wah
Title Deed No.	:	512, 1024, 1745, 1903
Lot No.	:	33, 80, 32, 79
Survey No.	:	32, 43, 328, 464



Brief Description

⋮ Holiday Inn Resort Phuket is a upper mid-scale resort. The hotel consists of two wings, the main wing and the Busakorn wing with 398 rooms. Close to the beach overlooking the pool, the Holiday Inn main wing offers 258 airy rooms, each with a private balcony or terrace. The Busakorn Wing reflects a fresh degree of Thai comfort, with 140 extra large Studio and Villa rooms centered around two magnificently themed and landscaped pools.

The services and facilities provided by the hotel are as follows:

- Two swimming pools with swim-up bar. The beautifully landscaped Busakorn Wing swimming pool also has Jacuzzis.
- "The Bar" with wide TV screen and evening entertainment
- Business Centre
- Beauty Salon
- Laundry & Dry Cleaning Service
- Safe deposit box in room*
- Fully Equipped Fitness Centre (no charges)
- Car / Limousine Rental
- Minimarts (with a selection of wine)
- Portrait Painting
- Club 12+ & Kid's Club
- Tea Tree Spa
- Meeting and Conference facilities

* Busakorn Wing only.

The hotel also offers a superb choice of cuisine as follows:

- the Seabreeze Café & Terrace: serving buffets for breakfast and dinner



- Sam’s Steaks Grill: serving US and Australian steaks, and wine
- Terrazzo: serving Italian cuisine
- Charm Thai Restaurant: serving traditional Thai cuisine and succulent seafood
- The Bar: serving pre-dinner drink or nightcap

Valuation Method : Income and cost approaches

Date of Valuation : December 31, 2014

The Basis of Appraisal : This valuation will be in accordance with IFRS 13 Fair Value Measurement “Highest and Best use”. Highest and Best use as defined by IFRS 13 Fair value measurement is “The use of a non-financial asset by market participants that would maximize the value of the asset or the group of assets and liabilities (eg. a business) within which the asset would be used.”

Fair Value : Baht 3,106,000,000.-
(Baht Three Thousand One Hundred and Six Million)

Yours faithfully,

AMERICAN APPRAISAL (THAILAND) LTD.


Rodolfo L. Vergara

Managing Director

Examiner and Qualified Senior Valuer – ๓๗๑.๐๒๒

Thai Valuers Association

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Yannawa, Sathorn Bangkok 10120
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VALUATION SUMMARY

Date	:	January 26, 2015
Report	:	We did a desktop appraisal. We did not conduct a personal inspection of the property. Our report was based on based on a previous report dated May 7, 2014
Our Reference	:	2015/133
Valuation Prepared for	:	LCD Global Investments Ltd
Property	:	A parcel of land of JTM (Thailand) Limited
Address of Property	:	Along an unnamed private road, off Wiset Road (Highway No. 4024, between Kilometer Stations 4-5), Rawai Sub-district, Muang Phuket District, Phuket Province
Purpose of Valuation	:	Inclusion in the Offeree Circular pertaining to the Voluntary Conditional Cash Offer for shares in LCD Global Investments Ltd.
Tenure	:	Freehold
Brief Description of Property		
Total Land Area	:	37 rai 3.1 sq. wah (37.00775 rai)
Title Deed Nos.	:	78372 and 78373
Lot Nos.	:	62 and 63
Survey Nos.	:	8162 and 8163
Valuation Method	:	Sales Comparison Approach
Date of Valuation	:	December 31, 2014
The Basis of Appraisal	:	This valuation will be in accordance with IFRS 13 Fair Value Measurement “Highest and Best use”. Highest and Best use as defined by IFRS 13 Fair value measurement is “The use of a non-financial asset by



market participants that would maximize the value of the asset or the group of assets and liabilities (eg. a business) within which the asset would be used.”

Fair Value : Baht 252,000,000
(Baht Two Hundred and Fifty Two Million)

Yours faithfully,

AMERICAN APPRAISAL (THAILAND) LTD.


Rodolfo L. Vergara
Managing Director

Examiner and Qualified Senior Valuer – ๓๗๑.๐๒๒
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VALUATION SUMMARY

Date	:	January 26, 2015
Report	:	We did a desktop appraisal. We did not conduct a personal inspection of the property. Our report was based on a previous report dated May 7, 2014
Our Reference	:	2015/132
Valuation Prepared for	:	LCD Global Investments Ltd
Property	:	3 parcels of land of Phuket Island Property Fund, formerly known as Orchid Fund Five
Address of Property	:	No. 100 Wiset Road (Highway No. 4024, between Kilometer Stations 4-5), Laem Ka, Rawai Sub-district, Muang Phuket District, Phuket
Purpose of Valuation	:	Inclusion in the Offeree Circular pertaining to the Voluntary Conditional Cash Offer for shares in LCD Global Investments Ltd.
Tenure	:	The land was leased to The Evason Phuket Limited for a period of 20 years from September 20, 2001 to September 19, 2021. The rights to the lease have been transferred by The Evason Phuket Limited to JTM (Thailand) Limited. The remaining life of the lease period as at the appraisal date is 6 years 8 months 20 days (6.72 years).
Brief Description of Property		
Total Land Area	:	75 rai 2 ngan 30 sq. wah (75.575 rai) <u>Portion 1</u> : 4 rai 2 ngan 0.1 sq. wah (4.50025 rai)

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		<u>Portion 2</u> : 68 rai 1 ngan 23.9 sq. wah (68.30975 rai) <u>Portion 3</u> : 2 rai 3 ngan 6 sq. wah (2.765 rai)
Title Deed No.	:	<u>Portion 1</u> : 2018 <u>Portion 2</u> : 8669, 21947, 38670, 38671 <u>Portion 3</u> : 38669
Lot No.	:	<u>Portion 1</u> : 133 <u>Portion 2</u> : 61, 357, 6, 1 <u>Portion 3</u> : 30
Survey No.	:	<u>Portion 1</u> : 41 <u>Portion 2</u> : 202, 708, 3711, 3712 <u>Portion 3</u> : 3710
Proposed Development		The property is contemplated to be developed as a luxury 5-star resort with approximately 250 keys.
Valuation Method	:	Sales Comparison Approach and Land Residual Technique
Date of Valuation	:	December 31, 2014
The Basis of Appraisal		This valuation will be in accordance with IFRS 13 Fair Value Measurement “Highest and Best use”. Highest and Best use as defined by IFRS 13 Fair value measurement is “The use of a non-financial asset by market participants that would maximize the value of the asset or the group of assets and liabilities (eg. a business) within which the asset would be used.”



Fair Value based on Sales Comparison Approach

Fair Value : Baht 859,000,000.-
(Baht Eight Hundred and Fifty Nine Million)

*We did not take the existing lease agreement into consideration

Yours faithfully,

AMERICAN APPRAISAL (THAILAND) LTD.

A handwritten signature in blue ink, appearing to read "Rodolfo L. Vergara".

Rodolfo L. Vergara

Managing Director

Examiner and Qualified Senior Valuer – ๓๗๓.๐๒๒
Thai Valuers Association

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Associated Property Consultants Pte. Ltd.
168 Jalan Bukit Merah #03-07 A/B Tower 3
(Former HDB Headquarters)
Singapore 150168
Tel: 6733 5000 Fax: 6733 5807
Email: val@apcp.com.sg
Reg No.: 197701933R



29 January 2015

LCD Global Investments Ltd
14 Kung Chong Road
#06-01 Lum Chang Building
Singapore 159150

VALUATION CERTIFICATE

Property : **Somerset Vientiane** (Formerly known as Parkview Executive Suites), Souphanouvong Avenue, Sikhottabong District, Vientiane, Lao People's Democratic Republic

We refer to your instructions to carry out a Desktop Revaluation of the above-mentioned property so as to advise you on its Open Market Value as at 31 December 2014, in accordance with FRS 113 Fair Value Measurement on the basis of its Highest and Best Use.

Purpose of Valuation : This valuation certificate has been prepared for the purpose of inclusion in the Offeree Circular in respect of the Voluntary Conditional Cash Offer announced on 12 January 2015.

Highest and Best Use : The Highest and Best Use of the subject property is that of the existing use as service apartments.

Tenure : Leasehold for 30 years with effect from 7 November 1994 plus a further extended term of 10 years (ie. Remaining lease term is approximately 20 years)

Name of Proprietor : Gateway Enterprise Company Limited

Brief Description of Property : The property is a 6-storey residential development which comprises 116 serviced apartments in a single block, completed circa Year 2000.

Site Area : Approximately 12,395 sq.m.

Gross Floor Area : Approximately 13,619 sq.m.

Land Use Purpose : Apartments

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- Recent Refurbishment and Upgrading Works : We have taken into consideration the recent refurbishment and upgrading works completed in December 2014 which comprised:
- Refurbishment of all the 116 guest rooms
 - Upgraded entrance and lobby
 - Upgraded breakfast lounge
 - Upgraded IT infrastructures
- Management of Service Apartment : The service apartment is now managed by The Ascott Limited since 9 December 2014 and is operating under the Somerset brand.
- Method of Valuation : Income/ Investment Method
- Open Market Value as at 31 December 2014 : **US\$8,500,000.00** (United States Dollars Eight Million And Five Hundred Thousand)

Yours faithfully
ASSOCIATED PROPERTY CONSULTANTS PTE LTD

A handwritten signature in blue ink, appearing to read 'Nee Kai Chaang'.

NEE KAI CHAANG
Licensed Appraiser
B. Sc. (Real Estate) (Hons)
Appraiser Licence No: AD041-2009721C

APPENDIX VII – VALUATION REPORTS



Associated Property Consultants Pte. Ltd.
168 Jalan Bukit Merah #03-07 A/B Tower 3
(Former HDB Headquarters)
Singapore 150168
Tel: 6733 5000 Fax: 6733 5807
Email: val@apcp.com.sg
Reg No.: 197701933R



21 January 2015

LCD Global Investments Ltd
14 Kung Chong Road
#06-01 Lum Chang Building
Singapore 159150

VALUATION CERTIFICATE

Property : **Cityview Apartments And Commercial Centre**, 12 Mac Dinh Chi Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam

We refer to your instructions to carry out a Desktop Revaluation of the above-mentioned property so as to advise you on its Open Market Value as at 31 December 2014, in accordance with FRS 113 Fair Value Measurement on the basis of its Highest and Best Use.

Purpose of Valuation : This valuation certificate has been prepared for the purpose of inclusion in the Offeree Circular in respect of the Voluntary Conditional Cash Offer announced on 12 January 2015.

Highest and Best Use : The Highest and Best Use of the subject property is that of the existing use as Apartments, Offices and Commercial Centre.

Legal Description : Lots 5-259 and 9-259 of District 1, Ho Chi Minh City

Tenure : Leasehold for 40 years with effect from 1 March 1995 with a remaining lease term of approximately 20 years

Name of Proprietor : Cityview Property Investment & Trading Limited

Brief Description of Property : The property is a mixed development comprising a 12-storey main building which accommodates 55 serviced apartments and 31 office units and another 6-storey building which accommodates 12 serviced apartments, 3 office units, a minimart and 2 shops. The buildings were completed circa Year 1996 and Year 1997 respectively.

Site Area : Approximately 2,690 sq.m.

APPENDIX VII – VALUATION REPORTS



Gross Floor Area : Approximately 12,856 sq.m.

Land Use Purpose : Apartments and Offices for lease

Method of Valuation : Income/ Investment Method

Open Market Value as at 31 December 2014 : **US\$6,750,000.00** (United States Dollars Six Million Seven Hundred And Fifty Thousand)

Yours faithfully
ASSOCIATED PROPERTY CONSULTANTS PTE LTD

A handwritten signature in blue ink, appearing to read 'Nee Kai Chaang'.

NEE KAI CHAANG
Licensed Appraiser
B. Sc. (Real Estate) (Hons)
Appraiser Licence No: AD041-2009721C



Valuation Summary

Date	20 January 2015.
The Property	Crowne Plaza London – Kensington, 100 Cromwell Road, London SW7 4ER.
Purpose of Valuation	For the purposes of inclusion within an offering circular pertaining to a voluntary conditional cash offer for shares in LCD Global Investments Ltd.
Registered Proprietor	L.C. (London) Ltd.
Date of inspection	The property was inspected on 24 October 2014.
Brief Description of the Property	<p>The Property comprises a full service hotel extending to 162 keys with bar, restaurant, gym, meeting rooms and large private garden. The hotel is located in the Royal Borough of Kensington & Chelsea in central London and enjoys a prominent position on the Cromwell Road (A4), in close proximity to Gloucester Road Underground Station.</p> <p>The property comprises seven former period residential buildings which form part of a terrace, 94 – 106 Cromwell Road. Each of the buildings has retained its external period features with raised entrances and porticos denoting the former individual buildings. The buildings are now fully interconnected on each level to provide a high standard of full service hotel accommodation. There is also a large owner's flat at ground floor level within the western-most building and large private garden to the rear.</p>
Tenure	The property is freehold, subject to a ten year Management Agreement with IHG from 1 October 2010 (with 2 additional terms of 5 years each, on mutual consent).
Method of Valuation	Profits method (Discounted Cash Flow) and comparable evidence.
Date of Valuation	As at 31 December 2014.
Basis of Value	<p>We understand that LCD Global Investments Ltd's accounting complies with the International Financial Reporting Standards (IFRS) and therefore our valuations have been prepared on the basis of Fair Value as required by the IFRS. The definition of Fair Value is set out in IFRS 13 and is adopted by the International Accounting Standards Board as follows:</p> <p><i>"The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date."</i></p> <p>The RICS Red Book directs us to consider that Fair Value is consistent with the concept of Market Value, the definition of which is set out in Valuation Practice Statement 4 1.2 of the Red Book, as follows:</p> <p><i>"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</i></p>

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

Savills Advisory Services Limited. Chartered Surveyors. Regulated by RICS. A subsidiary of Savills plc. Registered in England No. 06215875
Registered office: 33 Margaret Street, London, W1G 0JD

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Fair Value

We are of the opinion that the Fair Value of the freehold interest in the Property as at 31 December 2014, is:

£50,000,000 (Fifty Million Pounds)

This assumes that the reasonable period in which to negotiate a sale by private treaty in the current market would be nine months.

Reliance

This valuation has been prepared in accordance with our confirmation of instruction letter dated 16 January 2015 and Savills Valuation General Assumptions and Conditions.

Signature

A handwritten signature in blue ink, appearing to read "Giles Furze".

Giles Furze MRICS
RICS Registered Valuer
Director Hotels & Leisure

gfurze@savills.com
+44 (0) 20 7409 8138

A handwritten signature in blue ink, appearing to read "Tim Stoye".

Tim Stoye MRICS
RICS Registered Valuer
Director, Head of Hotel & Leisure Valuation

tstoye@savills.com
+44 (0) 20 7409 8842

For and on behalf of Savills Advisory Services Ltd

