

**CIRCULAR DATED 2 OCTOBER 2017**

**THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF ERNST & YOUNG CORPORATE FINANCE PTE LTD. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

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

If you have sold or transferred all your CWT Shares (as defined herein), you should immediately hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

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



(Incorporated in the Republic of Singapore)  
(Company Registration No. 197000498M)

**CIRCULAR TO SHAREHOLDERS**

in relation to the

**VOLUNTARY CONDITIONAL GENERAL OFFER**

by

**BARCLAYS BANK PLC, SINGAPORE BRANCH**

(A branch of Barclays Bank PLC, a company  
organised under the laws of England and Wales  
with company number 01026167)

**CHINA INTERNATIONAL CAPITAL  
CORPORATION (SINGAPORE) PTE. LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200814424W)

for and on behalf of

**HNA BELT AND ROAD INVESTMENTS (SINGAPORE) PTE. LTD.**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201709856C)

*Independent Financial Adviser to the Independent Directors*



**ERNST & YOUNG CORPORATE FINANCE PTE LTD**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199702967E)

**SHAREHOLDERS SHOULD NOTE THAT THE OFFER WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME) ON 2 NOVEMBER 2017 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

<b>"1H2017"</b>	:	Half year ended 30 June 2017
<b>"1H2017 Results"</b>	:	Unaudited consolidated financial statements of the CWT Group for the second quarter ended 30 June 2017 and 1H2017, which were issued in the Company's SGXNET announcement on 1 August 2017
<b>"Business Day"</b>	:	A day (other than a Saturday, a Sunday or a gazetted public holiday in Singapore) when banks in Singapore are open for business
<b>"Circular"</b>	:	This circular to Shareholders enclosing, <i>inter alia</i> , the IFA Letter
<b>"Closing Date"</b>	:	5.30 p.m. (Singapore time) on 2 November 2017, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last date and time for the lodgement of acceptances for the Offer
<b>"Code"</b>	:	The Singapore Code on Take-overs and Mergers
<b>"Companies Act"</b>	:	The Companies Act (Chapter 50 of Singapore)
<b>"Company Securities"</b>	:	(a) CWT Shares;  (b) any other securities which carry voting rights in the Company; and  (c) any other convertible securities, warrants, options or derivatives in respect of the CWT Shares or other securities which carry voting rights in the Company
<b>"Constitution"</b>	:	The memorandum and the articles of association of the Company
<b>"CPF Agent Banks"</b>	:	Agent banks included under the CPFIS
<b>"CPFIS"</b>	:	Central Provident Fund Investment Scheme
<b>"CPFIS Investors"</b>	:	Investors who have purchased CWT Shares using their CPF contributions pursuant to the CPFIS
<b>"CWT Shares"</b>	:	Ordinary shares in the capital of CWT

<b>“Deposit”</b>	:	Shall have the meaning ascribed to it in section 4 of this Circular
<b>“Deposit Agreement”</b>	:	Shall have the meaning ascribed to it in section 4 of this Circular
<b>“Directors”</b>	:	The directors of the Company as at the Latest Practicable Date
<b>“Distribution”</b>	:	Any dividend, right or other distribution or return of capital
<b>“Encumbrance”</b>	:	Shall have the meaning ascribed to it in section 2.3 of this Circular
<b>“Formal Offer Announcement”</b>	:	The formal offer announcement on 7 September 2017 made by the Joint Financial Advisers, for and on behalf of the Offeror, of its firm intention to undertake the Offer
<b>“FY”</b>	:	Financial year ended or ending, as the case may be, 31 December
<b>“FY2016 Final Dividend”</b>	:	The final one-tier cash dividend of S\$0.03 per CWT Share for FY2016, which was paid to Shareholders on 17 May 2017
<b>“IFA Letter”</b>	:	The letter dated 2 October 2017 from EYCF to the Independent Directors in respect of the Offer as set out in Appendix I to this Circular
<b>“Independent Directors”</b>	:	The Directors who are considered independent for the purposes of the Offer, namely, Mr Loi Kai Meng, Mr Liao Chung Lik, Mr Loi Pok Yen, Dr Tan Wee Liang, Mr Jimmy Yim Wing Kuen and Dr Hu Jian Ping
<b>“Interested Person”</b>	:	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"> <li>(a) a director, chief executive officer, or substantial shareholder of the company;</li> <li>(b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company;</li> <li>(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;</li> </ul>

- (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

<b>“Latest Practicable Date”</b>	:	25 September 2017, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time
<b>“Management Retention Arrangements”</b>	:	Shall have the meaning ascribed to it in section 8.1.2 of the Letter to Shareholders in the Offer Document, as reproduced in section 7 of this Circular
<b>“Minimum Acceptance Condition”</b>	:	Shall have the meaning ascribed to it in section 2.4 of this Circular
<b>“Offer”</b>	:	The voluntary conditional general offer made by the Joint Financial Advisers, for and on behalf of the Offeror, for all the CWT Shares other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations, and their respective nominees, in accordance with Rule 15 of the Code
<b>“Offer Consideration”</b>	:	The offer consideration for each Offer Share validly tendered in acceptance of the Offer, as more particularly described in section 2.2 of this Circular
<b>“Offer Document”</b>	:	The offer document dated 21 September 2017 and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update the offer document from time to time
<b>“Offer Shares”</b>	:	The CWT Shares other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees
<b>“Offer Unconditional Announcement”</b>	:	Shall have the meaning ascribed to it in section 2.4 of this Circular

<b>“Offer Unconditional Date”</b>	:	22 September 2017, the date on which the Offer was declared to be unconditional in all respects in accordance with its terms pursuant to the Offer Unconditional Announcement
<b>“Offeror Securities”</b>	:	(a) Offeror Shares;  (b) securities which carry substantially the same rights as the Offeror Shares; and  (c) convertible securities, warrants, options or derivatives in respect of any Offeror Shares or other securities which carry substantially the same rights as the Offeror Shares
<b>“Offeror Shares”</b>	:	Issued shares in the capital of the Offeror
<b>“Overseas Shareholders”</b>	:	Shareholders whose addresses are outside Singapore as shown on the Register, or as the case may be, in the records of CDP
<b>“Potential Transaction Announcement”</b>	:	The announcement made by the Company on 16 May 2016 regarding exclusive negotiations between C & P Holdings and its controlling shareholders with a subsidiary of HNA Group Co., Ltd in relation to a potential transaction with respect to their shareholdings in the Company
<b>“Potential Transaction Announcement Date”</b>	:	16 May 2016, being the date of the Potential Transaction Announcement
<b>“Pre-Conditional Offer Announcement”</b>	:	The announcement made by the Offeror on 9 April 2017 of its pre-conditional voluntary general offer for all the Offer Shares
<b>“Pre-Conditional Offer Announcement Date”</b>	:	9 April 2017, being the date of the Pre-Conditional Offer Announcement
<b>“Pre-Conditions”</b>	:	Shall have the meaning ascribed to it in paragraph 2.1 of the Pre-Conditional Offer Announcement
<b>“Properties”</b>	:	Shall have the meaning ascribed to it in section 8.7 of Appendix II to this Circular
<b>“Register”</b>	:	The register of Shareholders as maintained by the Share Registrar
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account

<b>“SFA”</b>	:	The Securities and Futures Act (Chapter 289 of Singapore)
<b>“Shareholders”</b>	:	The registered holders of CWT Shares, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such CWT Shares, mean the Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with those CWT Shares
<b>“SRS”</b>	:	Supplementary Retirement Scheme
<b>“SRS Agent Banks”</b>	:	Agent banks included under the SRS
<b>“SRS Investors”</b>	:	Investors who have purchased CWT Shares pursuant to the SRS
<b>“Valuation Reports”</b>	:	The reports dated 9 September 2017 issued by the Valuer in respect of the Properties in connection with the Offer as set out in Appendix VI to this Circular
<b>“Vendor Undertakings”</b>	:	The irrevocable undertakings provided by the Vendors to the Offeror to, <i>inter alia</i> , accept the Offer, as more particularly described in section 3 of this Circular
<b>“Vendors”</b>	:	The following Shareholders: <ul style="list-style-type: none"> <li>(a) C &amp; P Holdings;</li> <li>(b) Loi Kai Meng;</li> <li>(c) Loi Kai Meng (Pte.) Limited;</li> <li>(d) Stanley Liao Private Limited;</li> <li>(e) Liao Chung Lik;</li> <li>(f) Loi Pok Yen;</li> <li>(g) Stanley K K Liao;</li> <li>(h) Loi Win Yen;</li> <li>(i) Lim Soo Seng (Pte.) Limited;</li> <li>(j) Lim Lay Khia (alias Lim Lay Choo);</li> <li>(k) Tong Siow Oon Sylvia; and</li> <li>(l) Loi Yan Yi</li> </ul>
<b>“%” or “per cent.”</b>	:	Per centum or percentage



## COMPANIES/ORGANISATIONS/PERSONS

“C & P Holdings”	:	C & P Holdings Pte Ltd
“CDP”	:	The Central Depository (Pte) Limited
“CPF”	:	Central Provident Fund
“CWT” or the “Company”	:	CWT Limited
“CWT Group”	:	The Company and its subsidiaries
“EYCF”	:	Ernst & Young Corporate Finance Pte Ltd, being the independent financial adviser to the Independent Directors in respect of the Offer
“HK ListCo”	:	HNA Holding Group Co. Limited
“Joint Financial Advisers”	:	Barclays Bank PLC, Singapore Branch and China International Capital Corporation (Singapore) Pte. Limited
“Offeror”	:	HNA Belt and Road Investments (Singapore) Pte. Ltd.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd., the share registrar of the Company
“SIC”	:	Securities Industry Council of Singapore
“Valuer”	:	Savills Valuation And Professional Services (S) Pte Ltd, the independent valuer appointed by the Independent Directors for the purposes of carrying out the valuation of the Properties in connection with the Offer

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

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

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

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

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

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

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

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

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

In this Circular, the total number of issued CWT Shares as at the Latest Practicable Date is 600,304,650 CWT Shares. Unless otherwise specified, all references to percentage shareholdings in the capital of the Company in this Circular are based on 600,304,650 CWT Shares in the issued share capital of the Company as at the Latest Practicable Date.

## **CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS**

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

## SUMMARY TIMETABLE

Date of despatch of Offer Document	:	21 September 2017
Minimum Acceptance Condition met and Offer was declared unconditional in all respects. Offer Unconditional Announcement released by the Joint Financial Advisers, for and on behalf of the Offeror	:	22 September 2017
Closing Date <sup>(1)(2)</sup>	:	5.30 p.m. (Singapore time) on 2 November 2017, or such later date(s) as may be announced from time to time by or on behalf of the Offeror
Date of settlement of the Offer <sup>(1)</sup>	:	<p>In respect of valid and complete acceptances received on or before the Offer Unconditional Date, within seven (7) Business Days after the Offer Unconditional Date</p> <p>In respect of valid and complete acceptances received after the Offer Unconditional Date but on or before the Closing Date, within seven (7) Business Days after the date of receipt of each such acceptance</p>
Final date of settlement in respect to the Offer	:	Within seven (7) Business Days after the Closing Date

**Notes:**

- (1) Please also refer to Appendix A to the Offer Document for further details.
- (2) Pursuant to the Offer Unconditional Announcement, the Joint Financial Advisers announced, for and on behalf of the Offeror, that the Offer has become unconditional in all respects on the Offer Unconditional Date and accordingly the Closing Date of the Offer was extended to 5.30 p.m. (Singapore time) on 2 November 2017 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).

## CWT LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 197000498M)

### LETTER FROM THE BOARD OF DIRECTORS

#### Board of Directors:

Mr Loi Kai Meng (Non-Executive Director and Chairman)  
Mr Liao Chung Lik (Non-Executive Director)  
Mr Loi Pok Yen (Executive Director and Group Chief Executive Officer)  
Dr Tan Wee Liang (Lead Independent Non-Executive Director)  
Mr Jimmy Yim Wing Kuen (Independent Non-Executive Director)  
Dr Hu Jian Ping (Independent Non-Executive Director)

#### Registered Office:

38 Tanjong Penjuru  
CWT Logistics Hub 1  
Singapore 609039

2 October 2017

To: Shareholders of the Company

Dear Sir/Madam

### **VOLUNTARY CONDITIONAL GENERAL OFFER BY THE JOINT FINANCIAL ADVISERS, FOR AND ON BEHALF OF THE OFFEROR, FOR ALL THE OFFER SHARES**

#### **1. BACKGROUND**

##### **1.1 Pre-Conditional Offer Announcement**

On 9 April 2017, the Offeror, a wholly-owned subsidiary of HK ListCo, announced that, subject to the fulfilment or waiver (as applicable) of the Pre-Conditions, the Offeror would make the Offer to acquire all of the Offer Shares in accordance with Rule 15 of the Code.

A copy of the Pre-Conditional Offer Announcement is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

##### **1.2 Formal Offer Announcement**

On 7 September 2017, the Joint Financial Advisers announced, for and on behalf of the Offeror, that all of the Pre-Conditions have been fulfilled or waived (as the case may be), and accordingly, the Offeror's firm intention to make the Offer.

A copy of the Formal Offer Announcement is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

##### **1.3 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 Letter to Shareholders in the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer contained in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

## 1.4 Purpose of this Circular

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

**Shareholders should consider carefully the recommendation of the Independent Directors and the advice of EYCF to the Independent Directors in respect of the Offer before deciding whether to accept or reject the Offer.**

## 2. THE OFFER

### 2.1 Offer

Based on the information set out in the Offer Document, the Joint Financial Advisers have, for and on behalf of the Offeror, made the Offer, in accordance with Rule 15 of the Code and subject to the terms and conditions set out in the Offer Document.

Section 2.1 of the Letter to Shareholders in the Offer Document states that the Offer will be extended to all the CWT Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations, and their respective nominees (the "**Offer Shares**").

### 2.2 Offer Consideration

Section 2.2 of the Letter to Shareholders in the Offer Document states that the consideration for the Offer will be satisfied by the payment of **S\$2.33 in cash for each Offer Share** (the "**Offer Consideration**").

**It is further stated that the Offeror does not intend to and will not increase the Offer Consideration or revise any other terms of the Offer. As such, the Offer Consideration is the final price for the Offer Shares.**

In the same Section 2.2, it is stated that Shareholders, in particular those who intend to accept the Offer, are reminded to note that the price of the CWT Shares may potentially fluctuate and there is no guarantee that the current market price of the CWT Shares will or will not sustain and will or will not be higher than the Offer Consideration during and/or after the period for the acceptance of the Offer.

### 2.3 No Encumbrances

Section 2.3 of the Letter to Shareholders in the Offer Document states that the Offer Shares will be acquired:

- (a) properly and validly issued and fully paid-up;
- (b) free from any mortgage, assignment, debenture, lien, hypothecation, charge, pledge, adverse claim, rent-charge, title retention, claim, equity, option, pre-emption right, right to acquire, security agreement and security interest or other right of whatever nature (each, an "**Encumbrance**"); and
- (c) together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date (including the right to receive and retain all Distributions which may be announced, declared, paid or made by CWT on or after the Pre-Conditional Offer Announcement Date), other than the FY2016 Final Dividend.

**If any Distribution, other than the FY2016 Final Dividend, is announced, declared, paid or made by CWT on or after the Pre-Conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Consideration payable to such accepting Shareholder by an amount equivalent to such Distribution.**

## **2.4 Minimum Acceptance Condition**

As stated in section 2.4 of the Letter to Shareholders in the Offer Document, the Offer is conditional upon the Offeror receiving valid acceptances in respect of such number of Offer Shares which, when taken together with the CWT Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), would result in the Offeror and the parties acting in concert with it holding such number of CWT Shares carrying more than 50% of the voting rights attributable to the total issued and paid-up share capital of CWT (excluding treasury shares), by the Closing Date of the Offer (the "**Minimum Acceptance Condition**").

As set out in section 2.4 of the Letter to Shareholders in the Offer Document, the Offeror has procured the Vendor Undertakings from the Vendors to accept, or procure the acceptance of, the Offer in relation to all the CWT Shares respectively owned by them (representing approximately 65.13% of the total issued share capital of CWT excluding treasury shares). Further details of the Vendor Undertakings are set out in section 3 of this Circular.

On the Offer Unconditional Date, the Joint Financial Advisers announced, for and on behalf of the Offeror, that the Offeror had, as at 5.00 p.m. (Singapore time) on the same date, received valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with the CWT Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), result in the Offeror and parties acting in concert with it holding such number of CWT Shares carrying more than 50% of the voting rights attributable to the total issued and paid-up share capital of CWT (the "**Offer Unconditional Announcement**").

**Accordingly, the Minimum Acceptance Condition was met and the Offer was declared unconditional in all respects on the Offer Unconditional Date.**

## **2.5 Warranty**

Section 2.5 of the Letter to Shareholders in the Offer Document states that acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) properly and validly issued and fully paid-up; (b) free from any Encumbrance; and (c) together with all rights, benefits and entitlements as at the Pre-Conditional Offer Announcement Date including the right to receive and retain all Distributions, which may be announced, declared, paid or made by CWT on or after the Pre-Conditional Offer Announcement Date, other than the FY2016 Final Dividend.

## **2.6 Closing Date**

As stated in the Offer Unconditional Announcement, the Offer became unconditional as to acceptances on the Offer Unconditional Date and pursuant to Rule 22.6 of the Code, the Offer must remain open for acceptance for not less than 14 days after the date on which the Offer would otherwise have closed.

Accordingly, Shareholders should note that the Offer will remain open for acceptance until 5.30 p.m. (Singapore time) on 2 November 2017 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).

## 2.7 Further Details of the Offer

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

## 2.8 Procedures for Acceptance

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

## 3. VENDOR UNDERTAKINGS

Details on the Vendor Undertakings are set out in section 3 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

### **“3. VENDOR UNDERTAKINGS**

3.1 *As set out in the Pre-Conditional Offer Announcement, the Vendors have given the Offeror their irrevocable written undertakings (the “Vendor Undertakings”), amongst other things:*

3.1.1 *except as prohibited in writing by the SIC or by an order of a court of competent jurisdiction, to accept, or procure the acceptance of, the Offer in relation to all the CWT Shares respectively owned by them as of the date of their respective Vendor Undertakings (the “Undertaken CWT Shares”), within such number of Market Days as agreed with the Offeror under the respective Vendor Undertakings after the Offer is open for acceptance, and that the Undertaken CWT Shares shall be sold to the Offeror in accordance with the terms of the Offer, and that notwithstanding any rights of withdrawal which they may have under the Code or the terms of the Offer, to not withdraw such acceptance of the Offer tendered in respect of any of the Undertaken CWT Shares;*

3.1.2 *to, during the period commencing on the date of their respective Vendor Undertakings until the date on which their respective Vendor Undertakings cease to have any effect, not directly or indirectly:*

3.1.2.1 *sell, dispose of, transfer or otherwise deal in, or create any encumbrance over (or permit the sale, disposal of, transfer, dealing in, or creation of any encumbrance over), any of their rights or interests in the Undertaken CWT Shares;*

3.1.2.2 *accept (or permit the acceptance on their behalf of) any other offer from any other party for all or any of the Undertaken CWT Shares, whether or not such other offer is at a higher price and/or on more favourable terms than the Offer;*

3.1.2.3 *approve, endorse, recommend, vote or agree to vote for any other offer from any other party for all or any of the Undertaken CWT Shares, whether or not such other offer is at a higher price and/or on more favourable terms than the Offer; and*



3.1.2.4 authorise any of their representatives or advisers to, directly or indirectly, solicit, encourage, initiate or entertain any offers or proposals or hold discussions with any third party about any arrangement, agreement or commitment in connection with the acquisition of (i) all or any Undertaken CWT Shares; or (ii) all or substantially all the business/assets of CWT, save that the restrictions in this sub-paragraph shall not apply to (A) the making of normal presentations, for and on behalf of CWT, to brokers, portfolio investors and analysts in the ordinary and usual course of business; or (B) the provision of information for or on behalf of CWT to the SGX-ST or the SIC; and

3.1.3 to, not exercise any voting rights in the Undertaken CWT Shares or take any action that will frustrate the Offer.

3.2 The Vendors and their respective Undertaken CWT Shares are set out in the table below:

<b>Vendor</b>	<b>Number of Undertaken CWT Shares</b>	<b>Number of Undertaken CWT Shares as an approximate percentage of the total number of issued CWT Shares as at the Latest Practicable Date (%)</b>
<i>C &amp; P Holdings Pte Ltd<sup>(1)</sup></i>	191,680,000	31.93
<i>Loi Kai Meng</i>	70,000,000	11.66
<i>Loi Kai Meng (Pte.) Limited<sup>(1)</sup></i>	37,356,900	6.22
<i>Stanley Liao Private Limited<sup>(1)</sup></i>	19,581,000	3.26
<i>Liao Chung Lik</i>	16,301,000	2.72
<i>Loi Pok Yen<sup>(2)</sup></i>	31,000,000	5.16
<i>Stanley K K Liao</i>	10,397,000	1.73
<i>Loi Win Yen</i>	7,930,000	1.32
<i>Lim Soo Seng (Pte.) Limited<sup>(1)</sup></i>	2,624,000	0.44
<i>Lim Lay Khia (alias Lim Lay Choo)</i>	1,950,000	0.32
<i>Tong Siow Oon Sylvia</i>	1,100,000	0.18
<i>Loi Yan Yi</i>	1,050,000	0.17
<b>Total</b>	<b>390,969,900</b>	<b>65.13</b>

(1) C & P Holdings Pte Ltd is majority-owned by Loi Kai Meng (Pte.) Limited, Stanley Liao Private Limited and Lim Soo Seng (Pte.) Limited, each of whom owns more than 20% of its issued share capital.

(2) Loi Pok Yen holds 16,000,000 CWT Shares directly and 15,000,000 CWT Shares through his wholly-owned company, Penjuru Capital Pte. Ltd.

3.3 The Vendor Undertakings will terminate, lapse and cease to have any effect if the Offer lapses or is withdrawn without having become unconditional in all respects in accordance with its terms through no breach by any of the Vendors of their obligations under their respective Vendor Undertakings.”

#### 4. DEPOSIT ARRANGEMENT

Section 4 of the Letter to Shareholders in the Offer Document states that pursuant to an agreement entered into between HK ListCo and the Company on 9 April 2017 (the “**Deposit Agreement**”), HK ListCo paid a sum of S\$15 million to the Company (the “**Deposit**”) to be held in escrow by DBS Trustee Limited in an escrow account on the terms and subject to the conditions set out in the Deposit Agreement.

Further details relating to the Deposit Agreement are set out in sections 4.2 and 4.3 of the Letter to Shareholders in the Offer Document, which are reproduced in italics below:

*“4.2 If the Offer is declared unconditional in all respects in accordance with the Code, the Deposit shall be released from the Escrow Account and paid into a bank account to be designated and notified in writing to the Escrow Agent and CWT by the Offeror for the purposes of making payments pursuant to the Offer.*

*4.3 In the event that any party to certain Vendor Undertakings specified in the Deposit Agreement fails to comply with its obligations thereunder to accept the Offer and consequently the Offer does not become unconditional as to acceptances, the Deposit shall be refunded in full to HK ListCo.”*

As the Offer has been declared unconditional in all respects in accordance with the Code, the Deposit will be released in accordance with the Deposit Agreement and paid into a bank account designated by the Offeror for the purposes of making payments pursuant to the Offer.

#### 5. INFORMATION ON THE OFFEROR AND HK LISTCO

Details on the Offeror and HK ListCo are set out in section 5 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

##### **“5. INFORMATION ON THE OFFEROR AND HK LISTCO**

*5.1 The Offeror is a company incorporated in Singapore for the purpose of making the Offer and is an indirect wholly-owned subsidiary of HK ListCo. Its principal business activity is investment holding.*

*As at the Latest Practicable Date, the Offeror has an issued share capital of S\$1.00, comprising one (1) issued ordinary share. The sole shareholder of the Offeror is HNA Belt and Road Investments (BVI) Company Limited. HNA Belt and Road Investments (BVI) Company Limited is a wholly-owned subsidiary of HNA Belt and Road Investments Company Limited, which is, in turn, wholly-owned by HK ListCo. The directors of the Offeror are Xu Haohao, Guo Qifei, Zhao Yongzhi, and Yeoh Kar Choo Sharon.*

*5.2 HK ListCo is a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited.*

*HK ListCo and its subsidiaries (the “**HK Group**”) are currently engaged in the businesses of Recreational/Tourism Business and Property Investment Business. It is the intention of the HK Group to continue to strengthen its existing businesses, and at the same time explore opportunities to further develop into a leading diversified international investment company to enhance the growth prospects of the HK Group and create value for HK ListCo’s shareholders.*

For the purposes of this Offer Document, **“Recreational/Tourism Business”** means the business of the provision of recreational and tourism services (including the operation of golf clubs and the provision of hotel and leisure services); and **“Property Investment Business”** means the business of property investment, management and development.

As part of its development strategy, the HK Group mainly focuses on merger and acquisition opportunities in international markets. In particular, the HK Group seeks merger and acquisition targets in sectors including logistics real estate, logistics warehousing, bulk commodity trading, logistics finance, logistics transport facilities, oil storage, marketing and transportation assets while closely monitoring the economic and trade development situation in the “One Belt, One Road” initiative, Southeast Asia, and other regions (including Hong Kong).

5.3 *Appendices C, D and G to this Offer Document set out additional information on the Offeror and HK ListCo respectively.”*

Additional information on the Offeror and HK ListCo is set out in Appendices C, D and G to the Offer Document.

## **6. OFFEROR’S RATIONALE FOR THE OFFER**

The Offeror’s rationale for the Offer is set out in section 7 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

### **“7. RATIONALE FOR THE OFFER**

7.1 *The HK Group has been actively assessing the global market for attractive investment opportunities to complement its existing businesses, namely the Recreational/Tourism Business and the Property Investment Business, to further develop into a leading diversified international investment company.*

7.2 *CWT Group has a strong market position in its Logistics Services division and is well diversified through revenues from its Commodity Marketing, Financial Services and Engineering Services divisions, as further described in paragraph 6.3 above.*

7.3 *The Offer is in line with the HK Group’s investment principle of prudence and justifiable investments. As part of its development strategy, the HK Group mainly focuses on merger and acquisition opportunities in international markets. In particular, the HK Group seeks merger and acquisition targets in sectors including logistics real estate, logistics warehousing, bulk commodity trading, logistics finance, logistics transport facilities, oil storage, marketing and transportation assets while closely monitoring the economic and trade development situation in the “One Belt, One Road” initiative, Southeast Asia, and other regions (including Hong Kong).*

7.4 *The HK Group believes that the Offer is strategically beneficial for the following reasons:*

#### **7.4.1 Leverage an established international business platform and management team to identify and develop new business opportunities**

*Over more than 45 years, CWT Group has established diversified global operations in Logistics Services, Commodity Marketing, Financial Services and Engineering Services. CWT Group’s business units enjoy strong positions in their respective markets and are led by an experienced and knowledgeable management team.*

*The Offer will enable the HK Group to simultaneously enter into logistics, commodity marketing, financial services and engineering services and have a presence across approximately 90 countries globally. After completion of the Offer, the HK Group believes that the Enlarged Group can leverage CWT Group's international operating platform and the HK Group's relationships to explore potential new business opportunities, particularly in logistics services, commodity marketing and financial services, and provide a solid foundation for the Enlarged Group's future business development.*

#### **7.4.2 Become a leading logistics player with a global reach**

*CWT Group provides integrated logistics solutions in Singapore and internationally, with a niche market focus in the commodity, chemical, marine, F&B and wine, and industrial sectors. CWT Group operates and manages warehouses that are strategically located near key transport hubs and ports in Singapore and around the world and as of 31 December 2016 had a global freight forwarding network with connectivity to around 200 direct ports and 1,600 inland destinations supported by an extensive network of more than 100 offices and agents globally.*

*After completion of the Offer, the HK Group believes that the Enlarged Group could seek to leverage CWT Group's experience and capabilities and the HK Group's relationships to enhance its position as a leading provider of integrated logistics solutions for worldwide customers in the commodity, marine, chemical, F&B and wine, and industrial sectors.*

#### **7.4.3 Further diversify the Property Investment Business with a large, high quality real estate portfolio and enhance services and capabilities**

*CWT Group is one of the largest owners and managers of warehouse and logistics real estate assets in Singapore. As of 31 December 2016, CWT Group managed approximately 10.3 million sq.ft. of owned and leased warehousing space in Singapore, which includes 2.4 million sq.ft. of the under-construction mega integrated logistics hub in Singapore. The warehouse building of the mega integrated logistics hub has been completed. CWT Group also managed approximately 6.1 million sq.ft. of warehouse space outside of Singapore. In addition, through its engineering subsidiary, Indeco Engineers (Pte) Ltd, CWT Group provides a range of management and maintenance services for facilities, vehicles and equipment fleets, as well as design-and-build solutions for logistics facilities.*

*After completion of the Offer, the HK Group believes that the Enlarged Group's Property Investment Business will benefit from CWT Group's high quality real estate portfolio while providing opportunities to further enhance its property and facilities management services and property development capabilities.*

#### **7.4.4 Capitalise on a well-established commodity trading and financial services platform**

*CWT Group's Commodity Marketing division, through MRI Group Pte. Ltd. and its subsidiaries, is a large independent trader of non-ferrous concentrates and energy products with offices in 10 countries worldwide. CWT Group, through its Financial Services division, offers financial brokerage, structured trade and asset management services. CWT Group also has a 40% ownership of ARA-CWT Trust Management (Cache) Limited, the REIT manager of the Singapore-listed Cache Logistics Trust.*

*After completion of the Offer, the HK Group believes that the Enlarged Group will be well positioned to capitalise on CWT Group's existing capabilities in commodities marketing and financial services to explore and develop new business opportunities in the areas of supply chain financing, financial services and financial technology.*

#### **7.4.5 Better positioned to take advantage of China's "Belt and Road Initiative"**

*In 2013, the PRC Government formulated the "Belt and Road Initiative", which consists of two (2) main components, the land-based "Silk Road Economic Belt" and oceangoing "Maritime Silk Road". Under the "Belt and Road Initiative", which is supported by China's Silk Road Infrastructure Fund of US\$40 billion and the Asian Infrastructure Investment Bank with its registered capital of US\$100 billion, significant infrastructure investments across Europe, Central Asia, South Asia, the Middle East and Africa are expected. It is anticipated that these infrastructure investment initiatives will be a key driver of future demand for commodities and logistics in those regions.*

*After completion of the Offer, the HK Group believes that the Enlarged Group, through the CWT Group's well-established logistics and commodity marketing businesses, which have significant brand equity, geographical reach and strong relationships, will be well positioned to benefit from these attractive industry dynamics. In addition, CWT Group currently only has a moderate presence in China and some other global locations and the HK Group believes that it has the potential to further enhance CWT Group's business in these locations, creating business synergies and enhanced economies of scales for the Enlarged Group."*

## **7. OFFEROR'S INTENTIONS RELATING TO THE MANAGEMENT TEAM OF CWT AND CWT**

The Offeror's intentions relating to the management team of CWT and CWT are set out in section 8 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

### **"8. THE OFFEROR'S INTENTIONS**

#### **8.1 The Offeror's intentions in relation to the management team of CWT**

*8.1.1 Subject to normal business considerations, the Offeror does not intend to make major changes to the management team of CWT.*

*8.1.2 In order to ensure continuity in the management, business and operations of CWT Group, the Offeror wishes to have the senior management team of CWT Group's key business units remain in the CWT Group's employment. Accordingly, the Offeror intends to implement the following arrangements that will come into effect upon the Offer turning unconditional (the "**Management Retention Arrangements**"):*

*8.1.2.1 The Group Chief Executive Officer ("**GCEO**"), Mr Loi Pok Yen, and the Deputy Group Chief Executive Officer cum Group Chief Financial Officer ("**GCFO**"), Mrs Lynda Goh, of CWT will each agree to a fixed employment term of three (3) years. In return for such agreement each of them will be paid a yearly remuneration package that comprises a monthly salary and a variable annual bonus. The variable bonus will be linked to a percentage of the operating earnings before interest, tax,*

depreciation and amortization of the CWT Group. In addition, upon the completion of three (3) years' service, they will each be paid an additional retention bonus equal to the average bonus of the said three (3)-year period.

8.1.2.2 Other senior management personnel identified by CWT and the Offeror (the "**Senior Management Personnel**") will, in addition to their current remuneration packages and upon the completion of three (3) years' service, be paid an additional retention bonus equal to the average bonus of the said three (3)-year period.

The SIC has ruled that the Management Retention Arrangements with (i) the GCEO and GCFO; and (ii) the Senior Management Personnel who are Shareholders, will not constitute special deals for the purpose of Rule 10 of the Code subject to the independent financial adviser to CWT publicly stating in its opinion that the terms of such arrangements are fair and reasonable.

## 8.2 **The Offeror's intentions in relation to CWT**

8.2.1 The Offeror currently has no present intention to introduce any major changes to the existing business of the CWT Group, employment of the employees of CWT and/or its subsidiaries, or to re-deploy any of the fixed assets of CWT and/or its subsidiaries, other than in the ordinary course of business.

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

## 8.3 **The Offeror intends to delist and privatise CWT if possible**

It is the intention of the Offeror to delist and privatise CWT, if possible. Accordingly, in the event the Offeror receives acceptances for the Offer such that less than 10% of the total number of issued CWT Shares (excluding any shares held by CWT as treasury shares) are held in public hands, the Offeror presently has no intention to support any action or take any steps to maintain the listing status of CWT on the SGX-ST, and reserves its right to seek a voluntary delisting of CWT from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual. In addition, the Offeror intends to make CWT its wholly-owned subsidiary and does not intend to preserve the listing status of CWT. Accordingly, if and when entitled, the Offeror intends to exercise its rights of compulsory acquisition under Section 215(1) of the Act. However, in the event that the Offeror receives acceptances for the Offer such that more than 10% of the total number of issued CWT Shares (excluding any CWT Shares held by CWT as treasury shares) are held in public hands, CWT will remain listed on the SGX-ST and the Offeror will continue to review and evaluate CWT's position.

Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued CWT Shares (excluding treasury shares), the SGX-ST may suspend the trading of the CWT Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued CWT Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued CWT Shares (excluding treasury shares), thus causing the

percentage of the total number of issued CWT Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the CWT Shares only at the Closing Date.

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

**THERE IS NO ASSURANCE THAT CWT WILL REMAIN LISTED ON THE SGX-ST AND NO GUARANTEE THAT CWT SHARES WILL CONTINUE TO BE TRADED ON THE SGX-ST AFTER THE CLOSE OF THE OFFER. HENCE, SHAREHOLDERS WHO DO NOT ACCEPT THE OFFER MAY ENCOUNTER LOWER TRADING LIQUIDITY AND/OR FACE DIFFICULTIES IN SELLING THEIR CWT SHARES AFTER THE CLOSE OF THE OFFER.**

#### **8.4 Compulsory acquisition**

Pursuant to Section 215(1) of the Act, in the event that the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires CWT Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued CWT Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any CWT Shares held by CWT as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the CWT Shares of the Shareholders who have not accepted the Offer (the “Dissenting Shareholders”) at a price equal to the Offer Consideration.

**IN SUCH EVENT, THE OFFEROR INTENDS TO EXERCISE ITS RIGHT TO COMPULSORILY ACQUIRE ALL THE CWT SHARES NOT ACQUIRED UNDER THE OFFER. THE OFFEROR WILL THEN PROCEED TO DELIST CWT FROM THE SGX-ST.**

In addition, Dissenting Shareholders have the right under and subject to Section 215(3) of the Act to require the Offeror to acquire their CWT Shares at a price equal to the Offer Consideration in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of CWT Shares which, together with the CWT Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued CWT Shares. For the purpose of calculating whether 90% of the total number of issued CWT Shares are held by the Offeror, its related corporations, and their respective nominees, shares held by CWT as treasury shares are to be treated as having been acquired by the Offeror, its related corporations and their respective nominees. Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice.”

## 8. DIRECTORS' INTERESTS

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

## 9. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

### 9.1 Appointment of Independent Financial Adviser

EYCF has been appointed as the independent financial adviser to advise the Independent Directors for the purpose of making a recommendation to the Shareholders in connection with the Offer and to opine on the Management Retention Arrangements.

### 9.2 EYCF's Advice to the Independent Directors

The advice of EYCF to the Independent Directors in respect of the Offer and the Management Retention Arrangements is set out in the IFA Letter annexed as Appendix I to this Circular.

#### (a) The Offer

The advice of EYCF in respect of the Offer has been extracted from the IFA Letter and is reproduced in italics below. **Shareholders should read and consider carefully all the considerations relied upon by EYCF, in arriving at its advice to the Independent Directors, in conjunction with and in the context of the full text of the IFA Letter.**

#### **"11 OUR ADVICE ON THE OFFER**

*In arriving at our advice on the Offer, we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Offer. The factors we have considered in our evaluation, which are discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:*

- (a) ***The premiums implied by the Offer Price.*** For the 3-year period prior to the Offer Announcement Date up to the Latest Practicable Date, the Company's Share price traded below the Offer Price of S\$2.33 per Share for the entire period, save for 28 July 2015, when the Shares traded at S\$2.35.

*Over the last two years prior to and including the Unaffected Date, the market price of the Shares traded between a low of S\$1.24 and a high of S\$2.35.*

*The Offer Price represents premiums of approximately 38.7%, 30.9%, 27.3%, 14.8%, and 6.4% over the VWAPs for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to and including the Unaffected Date, respectively, and a premium of approximately 5.9% over the last transacted price on the Unaffected Date.*

*The Offer Price represents premiums of approximately 6.9%, 5.4%, 6.4%, and 5.0% over the VWAPs for the periods 1 year, 6 months, 3 months and 1 month prior to the Offer Announcement Date, and a premium of approximately 2.6% over the last transacted price prior to the Offer Announcement Date.*



*For the period following the Offer Announcement Date up to the Latest Practicable Date, Shares traded between S\$2.31 and S\$2.33 per Share. The Offer Price of S\$2.33 represents a premium of 0.4% to the VWAP of the Shares over this period.*

- (b) **The liquidity of the Shares.** *The average daily traded volume of the Shares for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to and including the Unaffected Date represents approximately 0.4%, 0.4%, 0.6%, 0.5% and 0.4% of the free float as at the Offer Announcement Date, respectively.*

*The average daily traded volume of the Shares for the periods 1 year, 6 months, 3 months and 1 month prior to the Offer Announcement Date represents approximately 0.5%, 0.8%, 0.7% and 0.7% of the free float as at the Offer Announcement Date.*

*The average daily traded volume of the Shares for the period following the Offer Announcement Date up to the Latest Practicable Date represents approximately 2.6% of the free float as at the Offer Announcement Date, which is higher than the average daily traded volume for the other periods.*

- (c) **Price performance of the Shares against the Singapore equity market.** *Over the last three years prior to the Offer Announcement Date and up to the Latest Practicable Date, the Shares had outperformed the FSSTI in relative terms.*
- (d) **Comparison with privatisation transactions of companies listed on the SGX-ST.** *The premium of 5.9% implied by the Offer Price against the last transacted price of the Shares prior to and including the Unaffected Date is within the range of premiums but below the median and average premiums of the Precedent Privatisation Transactions.*

*The premiums of 27.3% and 30.9% implied by the Offer Price against the 6-month and 12-month VWAPs of the Shares prior to the Unaffected Date are within the respective ranges of premiums and above the median premium of the Precedent Privatisation Transactions.*

- (e) **Comparison of valuation measures of the Company.** *The Shares as implied by the Offer Price of S\$2.33, trade at an EV/EBITDA Ratio, P/E Ratio and P/NAV Ratio of 10.7 times, 12.0 times and 1.5 times, respectively.*

*The EV/EBITDA Ratio implied by the Offer Price is above the median and average EV/EBITDA Ratios of the Logistics Services Comparable Companies, but is below the average and median EV/EBITDA Ratios of the Commodity Marketing Comparable Companies.*

*The P/E Ratio implied by the Offer Price is within the range, but below both the average and median P/E Ratios of the Comparable Companies.*

*The P/NAV Ratio implied by the Offer Price is within the range of the P/NAV Ratios of the Comparable Companies, above the average and median P/NAV Ratios of the Commodity Marketing Comparable Companies, above the median but below the average P/NAV Ratios of the Logistics Services Comparable Companies.*

- (f) **Analysis of the RNAV of the CWT Group.** *Based on the unaudited RNAV of the CWT Group, the Offer Price represents a premium of approximately 2.6%. While the unaudited RNAV is a relevant basis for comparison, it is not necessarily a*

realisable value as the market value of the Properties and any tax liabilities arising from the sale of the Properties may vary depending on prevailing market and economic conditions.

- (g) **Offeror's intentions for the CWT Group.** The Offeror has stated that it intends to delist and privatise the Company, if possible, and make the Company its wholly-owned subsidiary.
- (h) **No revision of the Offer Price.** The Offeror has stated that it does not intend to and will not increase the Offer Price or revise any other terms of the Offer.
- (i) **Vendor Undertakings.** The Vendors have provided undertakings to the Offeror in respect of an aggregate of 390,969,900 Shares, which represents approximately 65.13% of the total number of issued Shares as at the Latest Practicable Date.
- (j) **Offer Condition.** The Offer was declared unconditional in all respects on the Offer Unconditional Date. As at the Latest Practicable Date, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror, and (b) valid acceptances to the Offer, amount to an aggregate of 432,436,099 Shares, representing approximately 72.04% of the total issued Shares as at the Latest Practicable Date.
- (k) **No alternative offers from third parties.** As at the Latest Practicable Date, there is no other alternative offer or proposal to the Company which is comparable to the Offer.

In arriving at our conclusion, we have considered the information available to us as at the Latest Practicable Date. The summary of the analyses we have undertaken is set out as items above.

**After having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the Offer Price is fair and reasonable from a financial point of view. Accordingly, we advise the Independent Directors to recommend that Shareholders accept the Offer.**

We note that on 22 September 2017, being the Offer Unconditional Date, the Offeror announced that it has received valid acceptances of the Offer in respect of more than 50% of the voting rights attributable to the maximum potential issued shares in the capital of CWT. Accordingly, the Offer has become unconditional as to acceptances and has been declared unconditional in all respects.

Shareholders may wish to sell their Shares in the open market if they are able to obtain a price higher than the Offer Price, net of related expenses (such as brokerage and trading costs). In this regard, we note that Shares have not traded above the Offer Price subsequent to the announcement of the Offer and since the Unaffected Date.

We also advise the Independent Directors to consider highlighting to the Shareholders that there is no assurance that the price of the Shares will remain at current levels after the close of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares.

The Independent Directors should note that we have arrived at our recommendation based on information made available to us prior to, and including, the Latest Practicable Date. Our advice on the Offer cannot and does not take into account any subsequent developments after the Latest Practicable Date, including future trading activity or price

*levels of the Shares, as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Offer.”*

(b) The Management Retention Arrangements

The advice of EYCF in respect of the Management Retention Arrangements has been extracted from the IFA Letter and is reproduced in italics below. **Shareholders should read and consider carefully all the considerations relied upon by EYCF, in arriving at its advice to the Independent Directors, in conjunction with and in the context of the full text of the IFA Letter.**

*“In arriving at our opinion, we have reviewed and deliberated on the Management Retention Arrangements and considered, inter alia, the following factors: (a) the historical service contracts of the GCEO, GCFO and the Senior Management Personnel, including compensation and bonuses, (b) the compensation being offered for the GCEO, GCFO and the Senior Management Personnel under the Management Retention Arrangements, (c) the term of the retention period under the Management Retention Arrangements, and (d) the negotiation process between each of the GCEO, GCFO and the Senior Management Personnel, and the Offeror.*

***After having considered carefully the information available to us as at the Latest Practicable Date and subject to the paragraphs set out in this section, we are of the opinion that the terms of the Management Retention Arrangements are fair and reasonable.***

*Our opinion on the Management Retention Arrangements is addressed solely to the Independent Directors for the purpose of their consideration of the Offer, and may not be relied upon for any other purpose.*

*It is not within our terms of reference to advise, and we do not advise, any person, other than the Independent Directors, in relation to the Management Retention Arrangements. In particular, we do not express any opinion, whether explicitly or implied, as to whether the GCEO, GCFO and/or the Senior Management Personnel should accept the Management Retention Arrangements.*

*In providing our opinion on the Management Retention Arrangements, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.”*

## **10. RECOMMENDATION OF THE INDEPENDENT DIRECTORS**

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

The Independent Directors concur with EYCF’s assessment of the Offer and its recommendation thereon, as set out in section 9.2(a) of this Circular and in the IFA Letter. **Accordingly, the Independent Directors recommend that Shareholders ACCEPT the Offer.**

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

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

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

## **11. OVERSEAS SHAREHOLDERS**

Overseas Shareholders should refer to section 11 of the Letter to Shareholders in the Offer Document which is reproduced in italics below:

### ***“11. OVERSEAS SHAREHOLDERS***

#### ***11.1 Overseas Shareholders***

*The availability of the Offer to Overseas Shareholders may be affected by laws and regulations of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about and observe any applicable legal requirements, and exercise caution in relation to the Offer, as this Offer Document, the FAA and the FAT have not been reviewed by any regulatory authority in any overseas jurisdictions. Where there are potential restrictions on sending this Offer Document, the FAA and/or the FAT to any overseas jurisdiction, each of the Offeror, the Joint Financial Advisers and CDP reserves the right not to send these documents to any overseas jurisdiction. For the avoidance of doubt, the Offer is made to all Shareholders holding CWT Shares, including those to whom this Offer Document, the FAA and/or the FAT have not been, or will not be, sent.*

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

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

## 11.2 Overseas jurisdictions

*It is the responsibility of any Overseas Shareholder who wishes to (i) request for this Offer Document and/or any other formal documentation relating to the Offer; or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities and legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable, and the Offeror and any person acting on its behalf (including the Joint Financial Advisers) shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments that the Offeror and any person acting on its behalf (including the Joint Financial Advisers) may be required to pay. In (i) requesting for this Offer Document and/or any other formal documentation relating to the Offer; or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror and the Joint Financial Advisor that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities and legal requirements. **Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.***

## 11.3 Copies of the Offer Document

*Overseas Shareholders may, nonetheless, obtain copies of this Offer Document, the Relevant Acceptance Forms and any related documents during normal business hours and up to the Closing Date from the Share Registrar at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 or from CDP at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588. Copies of this Offer Document, the Relevant Acceptance Forms and any related documents are also available on the SGX-ST's website at [www.sgx.com](http://www.sgx.com). Alternatively, Overseas Shareholders may write to the Offeror at HNA Belt and Road Investments (Singapore) Pte. Ltd. c/o TMF Singapore H Pte. Ltd., 38 Beach Road, #29-11 South Beach Tower, Singapore 189767 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 the Overseas Shareholder's own risk, up to three (3) Market Days prior to the Closing Date.*

## 11.4 Notice

*The Offeror and the Joint Financial Advisers each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Overseas Shareholders or whom the Offeror or the Joint Financial Advisers knows to be custodians, nominees or trustees for such persons by announcement to the SGX-ST and if necessary, a paid advertisement in a daily newspaper be 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 and all references in this Offer Document to notice in writing by or on behalf of the Offeror shall be construed accordingly."*

## 12. INFORMATION PERTAINING TO CPFIS AND SRS INVESTORS

As stated in sections 12.2 and 12.3 of the Letter to Shareholders in the Offer Document, CPFIS Investors and SRS Investors will receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action

they should take, CPFIS Investors and SRS Investors should seek independent professional advice. CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks.

CPFIS Investors and SRS Investors will receive the Offer Consideration payable in respect of their Offer Shares validly tendered in acceptance of the Offer through appropriate intermediaries in their respective CPF investment accounts and SRS investment accounts.

### **13. ACTION TO BE TAKEN BY SHAREHOLDERS**

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

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

### **14. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors (including any Director who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than those relating to the Offeror, parties acting in concert with the Offeror, the Offer, the Pre-Conditional Offer Announcement, the Formal Offer Announcement, the Offer Document, the Offer Unconditional Announcement, the IFA Letter, the Auditors' report on the 1H2017 Results, EYCF's letter on the 1H2017 Results and the Valuation Reports) are fair and accurate and that there are no other material facts not contained in this Circular, the omission of which would make any statement in this Circular misleading.

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

Where any information in this Circular has been extracted or reproduced from published or publicly available sources (including, without limitation, the Pre-Conditional Offer Announcement, the Formal Offer Announcement, the Offer Document, the Offer Unconditional Announcement, the IFA Letter, the Auditors' report on the 1H2017 Results, EYCF's letter on the 1H2017 Results and the Valuation Reports), 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 in this Circular. The Directors jointly and severally accept responsibility accordingly.

**Yours faithfully**  
**For and on behalf of the Board of Directors**

Dr Tan Wee Liang  
Lead Independent Non-Executive Director

## LETTER FROM EYCF TO THE INDEPENDENT DIRECTORS

2 October 2017

The Independent Directors of  
CWT Limited  
38 Tanjong Penjuru  
Singapore 609039

Dear Sirs:

**VOLUNTARY CONDITIONAL GENERAL OFFER BY BARCLAYS BANK PLC, SINGAPORE BRANCH AND CHINA INTERNATIONAL CAPITAL CORPORATION (SINGAPORE) PTE. LIMITED (COLLECTIVELY, THE “JOINT FINANCIAL ADVISORS”), FOR AND ON BEHALF OF HNA BELT AND ROAD INVESTMENTS (SINGAPORE) PTE. LTD. (THE “OFFEROR”), FOR ALL THE ORDINARY SHARES IN THE CAPITAL OF CWT LIMITED (“CWT” OR THE “COMPANY”) (THE “SHARES”) OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR, ITS RELATED CORPORATIONS AND THEIR RESPECTIVE NOMINEES (THE “OFFER SHARES”) (THE “OFFER”)**

## 1 INTRODUCTION

On 9 April 2017 (the “**Pre-Conditional Offer Announcement Date**”), the Offeror, a wholly-owned subsidiary of HNA Holding Group Co. Limited (the “**HK ListCo**”), announced that, subject to the fulfilment or waiver (as applicable) of the Pre-Conditions (as defined in paragraph 2.1 of the announcement made by the Offeror on the Pre-Conditional Offer Announcement Date), the Offeror would make the Offer to acquire all of the Offer Shares in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the “**Code**”) (the “**Pre-Conditional Offer Announcement**”).

On 7 September 2017 (the “**Offer Announcement Date**”), the Joint Financial Advisors, for and on behalf of the Offeror, announced:

- (a) that all the Pre-Conditions had been fulfilled or waived (as the case may be); and
- (b) the Offeror’s firm intention to make the Offer.

The Offeror is a company incorporated in Singapore for the purpose of making the Offer and is an indirect wholly-owned subsidiary of HK ListCo. Its principal business activity is investment holding. As at 14 September 2017, being the latest practicable date (the “**Offer Document LPD**”) prior to the printing of the Offer Document dated 21 September 2017 (the “**Offer Document**”), the Offeror has an issued share capital of S\$1.00, comprising one (1) issued ordinary share. The sole shareholder of the Offeror is HNA Belt and Road Investments (BVI) Company Limited. HNA Belt and Road Investments (BVI) Company Limited is a wholly-owned subsidiary of HNA Belt and Road Investments Company Limited, which is, in turn, wholly owned by HK ListCo. The directors of the Offeror are Xu Haohao, Guo Qifei, Zhao Yongzhi, and Yeoh Kar Choo Sharon.

As set out in Section 2.4 of the Letter to Shareholders in the Offer Document, the Offeror has procured the irrevocable undertakings by the Vendors to the Offeror to, *inter alia*, accept the Offer in relation to all Shares respectively owned by them (the “**Vendor Undertakings**”) (representing approximately 65.13% of the total number of issued Shares of CWT, excluding treasury shares).

In addition to the Offer, the Offeror intends to implement certain arrangements to have the senior management team of key business units of CWT and its subsidiaries (the “**CWT Group**”) remain in the CWT Group’s employment, which will come into effect upon the Offer turning unconditional (the “**Management Retention Arrangements**”). The Securities Industry Council (“**SIC**”) has, *inter alia*, ruled that the Management Retention Arrangements with (i) the Group Chief Executive Officer (“**GCEO**”), Mr Loi Pok Yen, and the Deputy Group Chief Executive Officer cum Group Chief Financial Officer (“**GCFO**”), Mrs Lynda Goh, and (ii) other senior management personnel identified by CWT and the Offeror (the “**Senior Management Personnel**”) who are shareholders of CWT, will not constitute special deals for the purpose of Rule 10 of the Code subject to the independent financial adviser (“**IFA**”) of CWT publicly stating in its opinion that the terms of such arrangements are fair and reasonable.

Ernst & Young Corporate Finance Pte Ltd (“**EYCF**”) has been appointed as the IFA to the directors of the Company (the “**Directors**”) who are considered independent in relation to the Offer (the “**Independent Directors**”), for the purpose of advising on the Offer and the Management Retention Arrangements.

This letter sets out, *inter alia*, our evaluation of the terms of the Offer and the Management Retention Arrangements, and our advice thereon. It forms part of the circular to the shareholders of CWT (the “**Shareholders**”) dated 2 October 2017 which provides, *inter alia*, the details of the Offer and the Management Retention Arrangements, and the recommendation of the Independent Directors in relation to the Offer (the “**Circular**”).

Unless otherwise defined, all terms in the Circular have the same meaning in this letter.

## **2 TERMS OF REFERENCE**

EYCF has been appointed to advise the Independent Directors on the financial terms of the Offer and to recommend for or against acceptance of the Offer pursuant to Rules 7.1 and 24.1(b) of the Code. We are also appointed to advise the Independent Directors and to provide our opinion on the terms of the Management Retention Arrangements pursuant to Rule 10 of the Code.

Our views as set forth in this letter are based on the prevailing market conditions, economic conditions, and financial conditions, and our evaluation of the Offer and the Management Retention Arrangements, as well as information provided to us by the Company and its management (the “**Management**”), as at 25 September 2017 (the “**Latest Practicable Date**”). Accordingly, our opinion shall not take into account any event or condition which occurs after the Latest Practicable Date. Shareholders should take note of any announcement and/or event relevant to their consideration of the Offer which may be released after the Latest Practicable Date.

We have confined our evaluation and analysis of the Offer to the financial terms thereof. It is not within our terms of reference to assess the rationale for, commercial merits and/or commercial risks of the Offer, and to comment on the financial merits and/or financial risks of the Offer where the assessment of such financial merits and/or financial risks involves our reviewing of non-publicly available information of the companies involved to which we have no access and with which we have not been furnished. It is also not within our terms of reference to compare the relative merits of the Offer vis-à-vis any alternative transaction that the Company may consider in the future, and as such, we do not express an opinion thereon. We have not been requested or authorised to solicit, and we have not solicited, any indication of interest from any third party with respect to the Offer Shares.



The scope of our appointment does not require us to express, and we do not express, a view on the future prospects of the CWT Group. We are, therefore, not expressing any view herein as to the prices at which the Shares may trade or on the future financial performance of the CWT Group upon completion of the Offer. No financial or profit forecasts, business plans or management accounts of the CWT Group have been specifically prepared for the purpose of evaluating the Offer, save for those that were provided by the Company for the purposes of arriving at the revalued net asset value (“**RNAV**”) of the CWT Group. Accordingly, we will not be able to comment on the expected future performance or prospects of the CWT Group. However, we may draw upon the views of the Directors and/or the Management, to the extent deemed necessary and appropriate by us, in arriving at our opinion as set out in this letter.

In the course of our evaluation, we have held discussions with the Directors and the Management. We have also examined and relied on publicly available information in respect of the CWT Group collated by us as well as information provided to us by the Company, including information in relation to the Offer and the Management Retention Arrangements. We have not independently verified such information furnished by the Directors and/or the Management or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors have confirmed to us, after making all reasonable enquiries that, to the best of their knowledge and belief, all material information relating to the CWT Group has been disclosed to us, that such information constitutes a full and true disclosure, in all material respects, of all material facts about the CWT Group in the context of the Offer and the Management Retention Arrangements, and there is no material information the omission of which would make any of the information contained herein or in the Circular misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have also made reasonable enquiries and exercised reasonable judgement in assessing such information and have found no reason to doubt the reliability of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors in relation to the Offer and the Management Retention Arrangements have been reasonably made after due and careful enquiry. We have not conducted a comprehensive review of the business, operations and financial condition of the CWT Group or any of its associated or joint venture companies. We have also not made an independent valuation or appraisal of the assets and liabilities of the Company, its subsidiaries or any of its associated or joint venture companies. However, we have been furnished with independent valuation reports of Savills Valuation and Professional Services (S) Pte Ltd (the “**Independent Valuer**”) commissioned by the Company, and issued by the Independent Valuer in connection with the assessed market value (the “**Market Value**”) of properties as at 9 September 2017 (the “**Valuation Reports**”). We are not experts and do not regard ourselves to be experts in the valuation of the properties, and we have taken into consideration the Valuation Reports prepared by the Independent Valuer.

In preparing this letter, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

This letter and our opinion are addressed to the Independent Directors solely for their benefit in connection with and for the purposes of their consideration of the Offer, and the recommendations made by them to the Shareholders with regard to the Offer shall remain the responsibility of the Independent Directors. Our opinion should not be relied on as a recommendation to, or confer any rights or remedies upon, any Shareholder as to what the Shareholder should do in relation to the Offer or any matters related thereto. Nothing herein shall confer or be deemed or is intended to confer, any right or benefit to any third party.

The Company has been separately advised in the preparation of the Circular (other than this letter and the Letter from EYCF on the 1H2017 Results). We were not involved and have not provided any advice, whether financial or otherwise, in the preparation, review and verification of this Circular (other than this letter and the Letter from EYCF on the 1H2017 Results). Accordingly, we do not take any responsibility for, and express no views on, whether expressed or implied, the contents of the Circular (other than this letter and the Letter from EYCF on the 1H2017 Results).

Our opinion in relation to the Offer and the Management Retention Arrangements should be considered in the context of the entirety of this letter and the Circular.

### **3 THE OFFER**

The principal terms and conditions of the Offer are set out in Section 2 of the Letter to Shareholders in the Offer Document and Section 2 of the Letter from the Board of Directors of the Offeree Circular. Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.

#### **3.1 Offer**

Based on the information set out in the Offer Document, the Joint Financial Advisors have, for and on behalf of the Offeror, made the Offer, in accordance with Rule 15 of the Code and subject to the terms and conditions set out in the Offer Document.

Section 2.1 of the Letter to Shareholders in the Offer Document states that the Offer will be extended to the Offer Shares.

#### **3.2 Offer Price**

Section 2.2 of the Letter to Shareholders in the Offer Document states that the consideration for the Offer will be satisfied by the payment of **S\$2.33 in cash for each Offer Share** (the “**Offer Price**”).

The Offeror does not intend to and will not increase the Offer Price or revise any other terms of the Offer. As such, the Offer Price is the final price for the Offer Shares.

#### **3.3 No Encumbrances**

Section 2.3 of the Letter to Shareholders in the Offer Document states that the Offer Shares will be acquired:

- (a) properly and validly issued and fully paid-up;
- (b) free from any mortgage, assignment, debenture, lien, hypothecation, charge, pledge, adverse claim, rent-charge, title retention, claim, equity, option, pre-emption right, right to acquire, security agreement and security interest or other right of whatever nature (each, an “**Encumbrance**”); and

- (c) together with all rights, benefits, and entitlements attached thereto as at the Pre-Conditional Announcement Date (including the right to receive and retain any dividend, right or other distribution or return of capital (collectively, the “**Distribution**”) which may be announced, declared, paid or made by CWT on or after the Pre-Conditional Offer Announcement Date), other than the final one-tier cash dividend of S\$0.03 per Share for the financial year ended 31 December 2016, which was paid to Shareholders on 17 May 2017 (the “**FY2016 Final Dividend**”).

If any Distribution, other than the FY2016 Final Dividend, is announced, declared or paid or made by CWT on or after the Pre-Conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price payable to such accepting Shareholder by an amount equivalent to such Distribution.

### **3.4 Minimum Acceptance Condition**

As stated in Section 2.4 of the Letter to Shareholders in the Offer Document, the Offer is conditional upon the Offeror receiving valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), would result in the Offeror and the parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the total issued and paid-up share capital of CWT (excluding treasury shares), by the Closing Date of the Offer (the “**Minimum Acceptance Condition**”).

Also as set out in Section 2.4 of the Letter to Shareholders in the Offer Document, the Offeror has procured the Vendor Undertakings from the Vendors to accept, or procure the acceptance of, the Offer in relation to all the Shares respectively owned by the Vendors, representing approximately 65.13% of the total issued share capital of CWT excluding treasury shares.

On 22 September 2017 (the “**Offer Unconditional Date**”), the Joint Financial Advisors announced, for and on behalf of the Offeror, that the Offeror had, as at 5.00 p.m. (Singapore time) on the same date received valid acceptances (which have not been withdrawn) in respect of such number of Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the total issued and paid-up share capital of CWT (the “**Offer Unconditional Announcement**”).

Accordingly, the Minimum Acceptance Condition was met and the Offer was declared unconditional in all respects on the Offer Unconditional Date.

### **3.5 Closing Date**

As stated in the Offer Unconditional Announcement, the Offer became unconditional as to acceptances on the Offer Unconditional Date and pursuant to Rule 22.6 of the Code, the Offer must remain open for acceptance for not less than 14 days after the date on which the Offer would otherwise have closed.

Accordingly, Shareholders should note that the Offer will remain open for acceptance until 5.30 p.m. (Singapore time) on 2 November 2017 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).

### 3.6 Further Details of the Offer

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

## 4 VENDOR UNDERTAKINGS

The details on the Vendor Undertakings in relation to the Offer are set out in Section 3 of the Letter to Shareholders in the Offer Document, which we have reproduced below:

### “3. VENDOR UNDERTAKINGS

3.1 *As set out in the Pre-Conditional Offer Announcement, the Vendors have given the Offeror their irrevocable written undertakings (the “Vendor Undertakings”), amongst other things:*

3.1.1 *except as prohibited in writing by the SIC or by an order of a court of competent jurisdiction, to accept, or procure the acceptance of, the Offer in relation to all the CWT Shares respectively owned by them as of the date of their respective Vendor Undertakings (the “Undertaken CWT Shares”), within such number of Market Days as agreed with the Offeror under the respective Vendor Undertakings after the Offer is open for acceptance, and that the Undertaken CWT Shares shall be sold to the Offeror in accordance with the terms of the Offer, and that notwithstanding any rights of withdrawal which they may have under the Code or the terms of the Offer, to not withdraw such acceptance of the Offer tendered in respect of any of the Undertaken CWT Shares;*

3.1.2 *to, during the period commencing on the date of their respective Vendor Undertakings until the date on which their respective Vendor Undertakings cease to have any effect, not directly or indirectly:*

3.1.2.1 *sell, dispose of, transfer or otherwise deal in, or create any encumbrance over (or permit the sale, disposal of, transfer, dealing in, or creation of any encumbrance over), any of their rights or interests in the Undertaken CWT Shares;*

3.1.2.2 *accept (or permit the acceptance on their behalf of) any other offer from any other party for all or any of the Undertaken CWT Shares, whether or not such other offer is at a higher price and/or on more favourable terms than the Offer;*

3.1.2.3 *approve, endorse, recommend, vote or agree to vote for any other offer from any other party for all or any of the Undertaken CWT Shares, whether or not such other offer is at a higher price and/or on more favourable terms than the Offer; and*

3.1.2.4 authorise any of their representatives or advisers to, directly or indirectly, solicit, encourage, initiate or entertain any offers or proposals or hold discussions with any third party about any arrangement, agreement or commitment in connection with the acquisition of (i) all or any Undertaken CWT Shares; or (ii) all or substantially all the business/assets of CWT, save that the restrictions in this sub-paragraph shall not apply to (A) the making of normal presentations, for and on behalf of CWT, to brokers, portfolio investors and analysts in the ordinary and usual course of business; or (B) the provision of information for or on behalf of CWT to the SGX-ST or the SIC; and

3.1.3 to, not exercise any voting rights in the Undertaken CWT Shares or take any action that will frustrate the Offer.

3.2 The Vendors and their respective Undertaken CWT Shares are set out in the table below:

<b>Vendor</b>	<b>Number of Undertaken CWT Shares</b>	<b>Number of Undertaken CWT Shares as an approximate percentage of the total number of issued CWT Shares as at the Latest Practicable Date (%)</b>
C&P Holdings Pte Ltd <sup>(1)</sup>	191,680,000	31.93
Loi Kai Meng	70,000,000	11.66
Loi Kai Meng (Pte.) Limited <sup>(1)</sup>	37,356,900	6.22
Stanley Liao Private Limited <sup>(1)</sup>	19,581,000	3.26
Liao Chung Lik	16,301,000	2.72
Loi Pok Yen <sup>(2)</sup>	31,000,000	5.16
Stanley K K Liao	10,397,000	1.73
Loi Win Yen	7,930,000	1.32
Lim Soo Seng (Pte.) Limited <sup>(1)</sup>	2,624,000	0.44
Lim Lay Khia (alias Lim Lay Choo)	1,950,000	0.32
Tong Siow Oon Sylvia	1,100,000	0.18
Loi Yan Yi	1,050,000	0.17
<b>Total</b>	<b>390,969,900</b>	<b>65.13</b>

(1) C&P Holdings Pte Ltd is majority-owned by Loi Kai Meng (Pte.) Limited, Stanley Liao Private Limited and Lim Soo Seng (Pte.) Limited, each of whom owns more than 20% of its issued share capital.

(2) Loi Pok Yen holds 16,000,000 CWT Shares directly and 15,000,000 CWT Shares through his wholly-owned company, Penjuru Capital Pte. Ltd.

3.3 The Vendor Undertakings will terminate, lapse and cease to have any effect if the Offer lapses or is withdrawn without having become unconditional in all respects in accordance with its terms through no breach by any of the Vendors of their obligations under their respective Vendor Undertakings.”

## 5 THE MANAGEMENT RETENTION ARRANGEMENTS

The details on the Management Retention Arrangements are set out in Section 8.1 of the Letter to Shareholders in the Offer Document, which we have reproduced below:

### **“8.1 The Offeror’s intentions in relation to the management team of CWT**

8.1.1 *Subject to normal business considerations, the Offeror does not intend to make major changes to the management team of CWT.*

8.1.2 *In order to ensure continuity in the management, business and operations of CWT Group, the Offeror wishes to have the senior management team of CWT Group’s key business units remain in the CWT Group’s employment. Accordingly, the Offeror intends to implement the following arrangements that will come into effect upon the Offer turning unconditional (the “**Management Retention Arrangements**”):*

8.1.2.1 *The Group Chief Executive Officer (“**GCEO**”), Mr Loi Pok Yen, and the Deputy Group Chief Executive Officer cum Group Chief Financial Officer (“**GCFO**”), Mrs Lynda Goh, of CWT will each agree to a fixed employment term of three (3) years. In return for such agreement each of them will be paid a yearly remuneration package that comprises a monthly salary and a variable annual bonus. The variable bonus will be linked to a percentage of the operating earnings before interest, tax, depreciation and amortization of the CWT Group. In addition, upon the completion of three (3) years’ service, they will each be paid an additional retention bonus equal to the average bonus of the said three (3)-year period.*

8.1.2.2 *Other senior management personnel identified by CWT and the Offeror (the “**Senior Management Personnel**”) will, in addition to their current remuneration packages and upon the completion of three (3) years’ service, be paid an additional retention bonus equal to the average bonus of the said three (3)-year period.*

*The SIC has ruled that the Management Retention Arrangements with (i) the GCEO and GCFO; and (ii) the Senior Management Personnel who are Shareholders, will not constitute special deals for the purpose of Rule 10 of the Code subject to the independent financial adviser to CWT publicly stating in its opinion that the terms of such arrangements are fair and reasonable.”*

## 6 DEPOSIT ARRANGEMENT

Section 4 of the Letter to Shareholders in the Offer Document and Section 4 of the Letter from the Board of Directors of the Offeree Circular state that pursuant to an agreement entered into between HK ListCo and the Company on 9 April 2017 (the “**Deposit Arrangement**”), HK ListCo paid a sum of S\$15.0 million to the Company (the “**Deposit**”) to be held in escrow by DBS Trustee Limited in an escrow account on the terms and subject to the conditions set out in the Deposit Agreement. Further details of the Deposit Arrangement are set out in Sections 4.2 and 4.3 of the Letter to Shareholders in the Offer Document.

Pursuant to the Deposit Arrangement, as the Offer has been declared unconditional in all respects in accordance with the Code, the Deposit will be released in accordance with the Deposit Agreement and paid into a bank account designated by the Offeror for the purposes of making payments pursuant to the Offer.

## 7 INFORMATION ON THE OFFEROR AND HK LISTCO

Please refer to Section 5 of the Letter to Shareholders in the Offer Document and Appendices C, D, and G to the Offer Document for information on the Offeror and HK ListCo.

## 8 OFFEROR'S RATIONALE FOR THE OFFER AND INTENTIONS RELATING TO CWT AND THE MANAGEMENT TEAM OF CWT

The details on the Offeror's rationale for the Offer are set out in Section 7 of the Letter to Shareholders in the Offer Document, which we have reproduced below:

### **"7. RATIONALE FOR THE OFFER**

7.1 *The HK Group has been actively assessing the global market for attractive investment opportunities to complement its existing businesses, namely the Recreational/Tourism Business and the Property Investment Business, to further develop into a leading diversified international investment company.*

7.2 *CWT Group has a strong market position in its Logistics Services division and is well diversified through revenues from its Commodity Marketing, Financial Services and Engineering Services divisions, as further described in paragraph 6.3 above.*

7.3 *The Offer is in line with the HK Group's investment principle of prudence and justifiable investments. As part of its development strategy, the HK Group mainly focuses on merger and acquisition opportunities in international markets. In particular, the HK Group seeks merger and acquisition targets in sectors including logistics real estate, logistics warehousing, bulk commodity trading, logistics finance, logistics transport facilities, oil storage, marketing and transportation assets while closely monitoring the economic and trade development situation in the "One Belt, One Road" initiative, Southeast Asia, and other regions (including Hong Kong).*

7.4 *The HK Group believes that the Offer is strategically beneficial for the following reasons:*

#### **7.4.1 Leverage an established international business platform and management team to identify and develop new business opportunities**

*Over more than 45 years, CWT Group has established diversified global operations in Logistics Services, Commodity Marketing, Financial Services and Engineering Services. CWT Group's business units enjoy strong positions in their respective markets and are led by an experienced and knowledgeable management team.*

*The Offer will enable the HK Group to simultaneously enter into logistics, commodity marketing, financial services and engineering services and have a presence across approximately 90 countries globally. After completion of the Offer, the HK Group believes that Enlarged Group can leverage CWT Group's international operating platform and the HK Group's relationships to explore potential new business opportunities, particularly in logistics services, commodity marketing and financial services, and provide a solid foundation for the Enlarged Group's future business development.*

#### **7.4.2 Become a leading logistics player with a global reach**

*CWT Group provides integrated logistics solutions in Singapore and internationally, with a niche market focus in the commodity, chemical, marine, F&B and wine, and industrial sectors. CWT Group operates and manages warehouses that are strategically located near key transport hubs and ports in Singapore and around the world and as of 31 December 2016 had a global freight forwarding network with connectivity to around 200 direct ports and 1,600 inland destinations supported by an extensive network of more than 100 offices and agents globally.*

*After completion of the Offer, the HK Group believes that the Enlarged Group could seek to leverage CWT Group's experience and capabilities and the HK Group's relationships to enhance its position as a leading provider of integrated logistics solutions for worldwide customers in the commodity, marine, chemical, F&B and wine, and industrial sectors.*

#### **7.4.3 Further diversify the Property Investment Business with a large, high quality real estate portfolio and enhance services and capabilities**

*CWT Group is one of the largest owners and managers of warehouse and logistics real estate assets in Singapore. As of 31 December 2016, CWT Group managed approximately 10.3 million sq.ft. of owned and leased warehousing space in Singapore, which includes 2.4 million sq.ft. of the under-construction mega integrated logistics hub in Singapore. The warehouse building of the mega integrated logistic hub has been completed. CWT Group also managed approximately 6.1 million sq.ft. of warehouse space outside of Singapore. In addition, through its engineering subsidiary, Indeco Engineers (Pte) Ltd, CWT Group provides a range of management and maintenance services for facilities, vehicles and equipment fleets, as well as design-and-build solutions for logistics facilities.*

*After completion of the Offer, the HK Group believes that the Enlarged Group's Property Investment Business will benefit from CWT Group's high quality real estate portfolio while providing opportunities to further enhance its property and facilities management services and property development capabilities.*

#### **7.4.4 Capitalise on a well-established commodity trading and financial services platform**

*CWT Group's Commodity Marketing division, through MRI Group Pte. Ltd. and its subsidiaries, is a large independent trader of non-ferrous concentrates and energy products with offices in 10 countries worldwide. CWT Group, through its Financial Services division, offers financial brokerage, structured trade and asset management services. CWT Group also has a 40% ownership of ARA-CWT Trust Management (Cache) Limited, the REIT manager of the Singapore-listed Cache Logistics Trust.*

*After completion of the Offer, the HK Group believes that the Enlarged Group will be well positioned to capitalise on CWT Group's existing capabilities in commodities marketing and financial services to explore and develop new business opportunities in the areas of supply chain financing, financial services and financial technology.*



#### **7.4.5 Better positioned to take advantage of China's "Belt and Road Initiative"**

*In 2013, the PRC Government formulated the "Belt and Road Initiative", which consists of two (2) main components, the land-based "Silk Road Economic Belt" and oceangoing "Maritime Silk Road". Under the "Belt and Road Initiative", which is supported by China's Silk Road Infrastructure Fund of US\$40 billion and the Asian Infrastructure Investment Bank with its registered capital of US\$100 billion, significant infrastructure investments across Europe, Central Asia, South Asia, the Middle East and Africa are expected. It is anticipated that these infrastructure investment initiatives will be a key driver of future demand for commodities and logistics in those regions.*

*After completion of the Offer, the HK Group believes that the Enlarged Group, through the CWT Group's well-established logistics and commodity marketing businesses, which have significant brand equity, geographical reach and strong relationships, will be well positioned to benefit from these attractive industry dynamics. In addition, CWT Group currently only has a moderate presence in China and some other global locations and the HK Group believes that it has the potential to further enhance CWT Group's business in these locations, creating business synergies and enhanced economies of scales for the Enlarged Group."*

The details on the Offeror's intentions relation to CWT are set out in Section 8.2 of the Letter to Shareholders in the Offer Document, which we have reproduced below:

#### **"8.2 The Offeror's intentions in relation to CWT**

*8.2.1 The Offeror currently has no present intention to introduce any major changes to the existing business of the CWT Group, employment of the employees of CWT and/or its subsidiaries, or to re-deploy any of the fixed assets of CWT and/or its subsidiaries, other than in the ordinary course of business.*

*8.2.2 Nevertheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which it regards to be in the interests of the Offeror and/or CWT."*

## **9 EVALUATION OF THE MANAGEMENT RETENTION ARRANGEMENTS**

As set out in Section 8.1 of the Letter to Shareholders in the Offer Document and Section 7 of the Offeree Circular, the SIC has ruled that the Management Retention Arrangements with (i) the GCEO and GCFO and (ii) the Senior Management Personnel who are Shareholders will not constitute special deals for the purpose of Rule 10 of the Code, subject to the IFA to CWT publicly stating in its opinion that the terms of such arrangements are fair and reasonable.

The Management Retention Arrangements comprise:

- (a) arrangements with the GCEO and GCFO, under which each of them will agree to a fixed employment term of three (3) years, and each of them will be paid a yearly remuneration package that comprises a monthly salary and a variable annual bonus. The variable bonus will be linked to a percentage of the operating earnings before interest, tax, depreciation and amortisation of the CWT Group. In addition, upon the completion of three (3) years' service, they will each be paid an additional retention bonus equal to the average bonus of the said three-year period; and

- (b) arrangements with the Senior Management Personnel who are Shareholders and who are identified by CWT and the Offeror, under which the Senior Management Personnel will, in addition to their current remuneration packages and upon the completion of three (3) years' service, be paid an additional retention bonus equal to the average bonus of the said three-year period.

We advise the Shareholders to carefully read the relevant sections of the Offer Document in connection with the Management Retention Arrangements.

We did not take part, nor were we requested to take part, in any discussion in connection with the negotiations on and preparation of the terms of the Management Retention Arrangements. It is not within our terms of reference to assess the rationale for, commercial merits and/or commercial risks of the of the Management Retention Arrangements, nor are we required to express, and we do not express, a view on the future prospects of the CWT Group in connection with the Management Retention Arrangements. No financial or profit forecasts, business plans or management accounts of the CWT Group have been specifically prepared for the purpose of our evaluation of the Management Retention Arrangements.

It is also not within our terms of reference to compare the relative merits and/or risks of the Management Retention Arrangements vis-à-vis any alternative agreement, or whether or not alternative agreements could be obtained or are available. We have confined our evaluation and analysis of the Management Retention Arrangements to the financial terms thereof, and our advice to the Independent Directors on the Management Retention Arrangements is based upon our evaluation, from a financial point of view, of the proposed arrangements under the Management Retention Arrangements.

In arriving at our opinion, we have reviewed and deliberated on the Management Retention Arrangements and considered, *inter alia*, the following factors: (a) the historical service contracts of the GCEO, GCFO and the Senior Management Personnel, including compensation and bonuses, (b) the compensation being offered for the GCEO, GCFO and the Senior Management Personnel under the Management Retention Arrangements, (c) the term of the retention period under the Management Retention Arrangements, and (d) the negotiation process between each of the GCEO, GCFO and the Senior Management Personnel, and the Offeror.

**After having considered carefully the information available to us as at the Latest Practicable Date and subject to the paragraphs set out in this section, we are of the opinion that the terms of the Management Retention Arrangements are fair and reasonable.**

Our opinion on the Management Retention Arrangements is addressed solely to the Independent Directors for the purpose of their consideration of the Offer, and may not be relied upon for any other purpose.

It is not within our terms of reference to advise, and we do not advise, any person, other than the Independent Directors, in relation to the Management Retention Arrangements. In particular, we do not express any opinion, whether explicitly or implied, as to whether the GCEO, GCFO and/or the Senior Management Personnel should accept the Management Retention Arrangements.

In providing our opinion on the Management Retention Arrangements, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, we would advise the Independent Directors to recommend that any individual Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

## 10 EVALUATION OF THE FINANCIAL TERMS OF THE OFFER

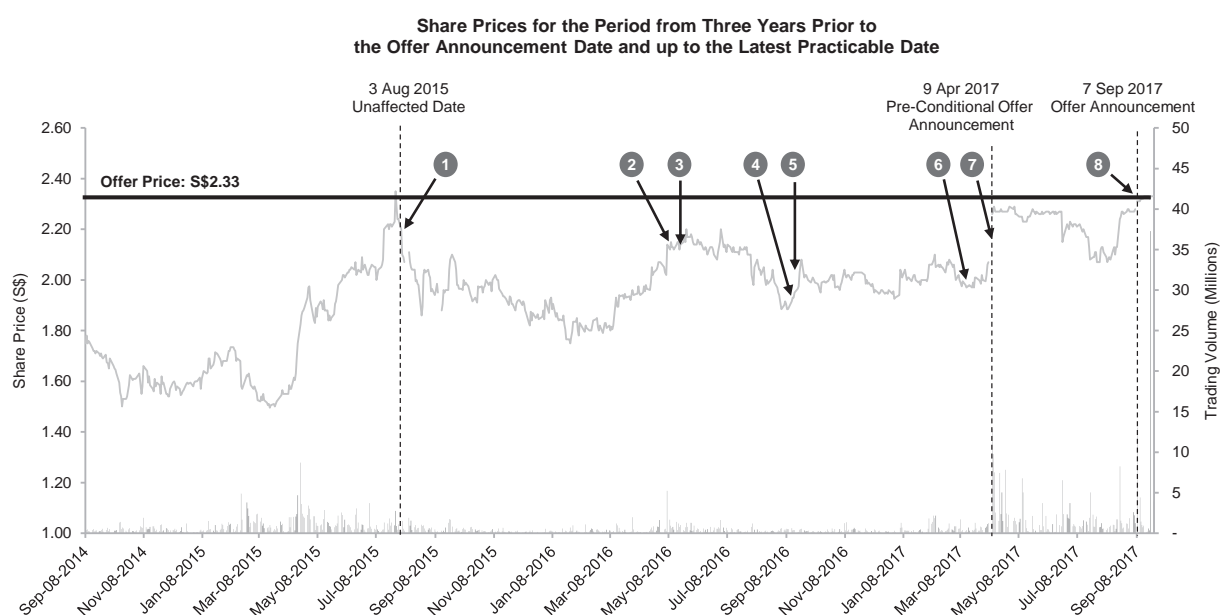
In our analysis and evaluation of the financial terms of the Offer, and our recommendation thereon, we have taken into consideration the following factors:

- (a) Market quotation and historical trading activity of the Shares;
- (b) Comparison with privatisation transactions for companies listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”);
- (c) Comparison of valuation measures of the Company against those of selected listed comparable companies;
- (d) Analysis of the Net Asset Value (“NAV”) and RNAV of the CWT Group;
- (e) Intention of the Offeror regarding the listing status of the Company; and
- (f) Other relevant considerations.

The factors above are discussed in more detail in the following sections.

### 10.1 Market quotation and historical trading activity of the Shares

We set out below a chart which shows the daily closing prices for the Shares and volume traded (excluding married trades) for the period from three (3) years prior to the Offer Announcement Date and up to the Latest Practicable Date. We have also marked dates during the given period where significant events occurred.



Source: Capital IQ, Company announcements

**Notes:**

- (1) On 3 August 2015, the Board of Directors of the Company (the “**Board**”) announced that its controlling shareholder C&P Holdings Pte Ltd (“**C&P**”) is considering a strategic review of the business and assets of C&P, which may or may not lead to a transaction involving the Company.
- (2) On 6 May 2016, the Board announced that its controlling shareholder, C&P, has been approached by various interested parties with different proposals for its business and assets.
- (3) On 16 May 2016, the Board announced that it had been informed by C&P that it and its controlling shareholders have entered into exclusive negotiations with a subsidiary of HNA Group Co., Ltd (“**HNA**”) in relation to a potential transaction with respect to their shareholdings in the Company.
- (4) On 13 September 2016, the Board announced that the Company’s financial services arm was granted full Capital Markets Services License by the Monetary Authority of Singapore.
- (5) On 20 September 2016, the Board announced that the Company’s financial services arm had obtained the operating license to set up a physical commodity exchange in Indonesia.
- (6) On 13 March 2017, the Company announced that it had redeemed in full its Series No. 002 S\$100,000,000 4% notes due 13 March 2017 together with the accrued interest.
- (7) On 9 April 2017, the Joint Financial Advisors announced, for and on behalf of the Offeror, that, subject to and contingent upon the satisfaction or waiver of certain Offer Pre-Conditions, the Offeror intends to make a voluntary conditional offer to acquire all Shares, other than those already owned, controlled or agreed to be acquired by the Offeror, at an offer price of S\$2.33 per share.
- (8) On 7 September 2017, the Joint Financial Advisors, for and on behalf of the Offeror, announced that it intends to make the Offer.

We note that for the 3-year period prior to the Offer Announcement Date up to the Latest Practicable Date, the Company’s Share price traded below the Offer Price of S\$2.33 for the entire period, save for 28 July 2015, when the Shares traded at S\$2.35.

We also note that shortly after 28 July 2015, the Board announced on 3 August 2015 that the Company’s controlling shareholder, C&P, was considering a strategic review of the business and assets of C&P. This information may have been incorporated into the price of the Shares prior to the Board’s announcement on 16 May 2016 that C&P and its controlling shareholders had entered into exclusive negotiations with a subsidiary of HNA in relation to a potential transaction with respect to C&P’s shareholdings in the Company, and subsequently the Pre-Conditional Offer Announcement on 9 April 2017, such that 3 August 2015 (being the last traded date prior to the announcement by the Board after trading hours on 3 August 2015) can be considered as the “**Unaffected Date**”. During the period from the Unaffected Date up to the Latest Practicable Date, Shares traded between S\$1.75 and S\$2.33.

Additional information on the volume-weighted average price (“**VWAP**”) of the Shares and other trading statistics are set out below:

Reference period	VWAP <sup>(1)</sup> (S\$)	Premium of Offer Price over VWAP (%)	Highest Transacted Price (S\$)	Lowest Transacted Price (S\$)	Average daily trading volume <sup>(2)</sup>	Daily trading volume as percentage of free float <sup>(3)</sup> (%)
<b>Prior to and including the Unaffected Date</b>						
Last 2 years	1.68	38.7	2.35	1.24	797,381	0.4
Last 1 year	1.78	30.9	2.35	1.50	934,281	0.4
Last 6 months	1.83	27.3	2.35	1.50	1,332,231	0.6
Last 3 months	2.03	14.8	2.35	1.83	1,065,851	0.5
Last 1 month	2.19	6.4	2.35	2.00	843,695	0.4

Reference period	VWAP <sup>(1)</sup> (S\$)	Premium of Offer Price over VWAP (%)	Highest Transacted Price (S\$)	Lowest Transacted Price (S\$)	Average daily trading volume <sup>(2)</sup>	Daily trading volume as percentage of free float <sup>(3)</sup> (%)
Last transacted price as at the Unaffected Date	2.20	5.9	2.20	2.20	208,600	0.1
<b>Prior to the Pre-Conditional Offer Announcement Date<sup>(4)</sup></b>						
Last 2 years	1.99	17.1	2.35	1.55	590,327	0.3
Last 1 year	2.05	13.7	2.20	1.89	462,676	0.2
Last 6 months	2.02	15.3	2.10	1.93	447,156	0.2
Last 3 months	2.03	14.8	2.10	1.97	590,967	0.3
Last 1 month	2.00	16.5	2.06	1.97	582,052	0.3
Last transacted price prior to the Pre-Conditional Offer Announcement Date	2.05	13.7	2.05	2.05	1,107,200	0.5
<b>Prior to the Offer Announcement Date</b>						
Last 1 year	2.18	6.9	2.29	1.89	1,000,578	0.5
Last 6 months	2.21	5.4	2.29	1.97	1,596,058	0.8
Last 3 months	2.19	6.4	2.28	2.07	1,375,831	0.7
Last 1 month	2.22	5.0	2.28	2.07	1,448,238	0.7
Last transacted price prior to the Offer Announcement Date	2.27	2.6	2.27	2.27	1,225,200	0.6
<b>After the Offer Announcement Date</b>						
Between the Offer Announcement Date and the Latest Practicable Date	2.32	0.4	2.33	2.31	5,339,742	2.6
Last transacted price as at Latest Practicable Date	2.33	0.0	2.33	2.33	3,923,600	1.9

Source: Capital IQ, EYCF analysis

**Notes:**

- (1) The VWAP is calculated based on the closing price of the Shares and the traded volume for the relevant trading days for each of the periods.
- (2) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the given period divided by the number of market days during that period.
- (3) Free float refers to the Shares other than those held by the Directors, substantial Shareholders and their associates (as defined in the SGX-ST Listing Manual), which amounts to approximately 207.7 million Shares or equivalent to approximately 34.6% of the total issued share capital of the Company as at the Offer Announcement Date.
- (4) A trading halt was called midday on 6 April 2017 prior to the Pre-Conditional Offer Announcement on 9 April 2017. As such, the last full trading day prior to the Pre-Conditional Offer Announcement is 5 April 2017.

We note the following:

- (a) Over the last two years prior to and including the Unaffected Date, the market price of the Shares traded between a low of S\$1.24 and a high of S\$2.35;
- (b) The Offer Price represents premiums of approximately 38.7%, 30.9%, 27.3%, 14.8%, and 6.4% over the VWAPs for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to and including the Unaffected Date, respectively;
- (c) The Offer Price represents a premium of approximately 5.9% over the last transacted price on the Unaffected Date;
- (d) Over the last two years prior to the Pre-Conditional Offer Announcement Date, the market price of the Shares traded between a low of S\$1.55 and a high of S\$2.35;
- (e) The Offer Price represents premiums of approximately 17.1%, 13.7%, 15.3%, 14.8%, and 16.5% over the VWAPs for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to the Pre-Conditional Offer Announcement Date, respectively;
- (f) The Offer Price represents a premium of approximately 13.7% over the last transacted price prior to the Pre-Conditional Offer Announcement Date;
- (g) The Offer Price represents premiums of approximately 6.9%, 5.4%, 6.4%, and 5.0% over the VWAPs for the periods 1 year, 6 months, 3 months and 1 month prior to the Offer Announcement Date;
- (h) The Offer Price represents a premium of approximately 2.6% over the last transacted price prior to the Offer Announcement Date;
- (i) For the period following the Offer Announcement Date up to the Latest Practicable Date, Shares traded between S\$2.31 and S\$2.33 per Share. The Offer Price of S\$2.33 represents a premium of 0.4% to the VWAP of the Shares over this period; and
- (j) The last transacted price as at the Latest Practicable Date is equivalent to the Offer Price.

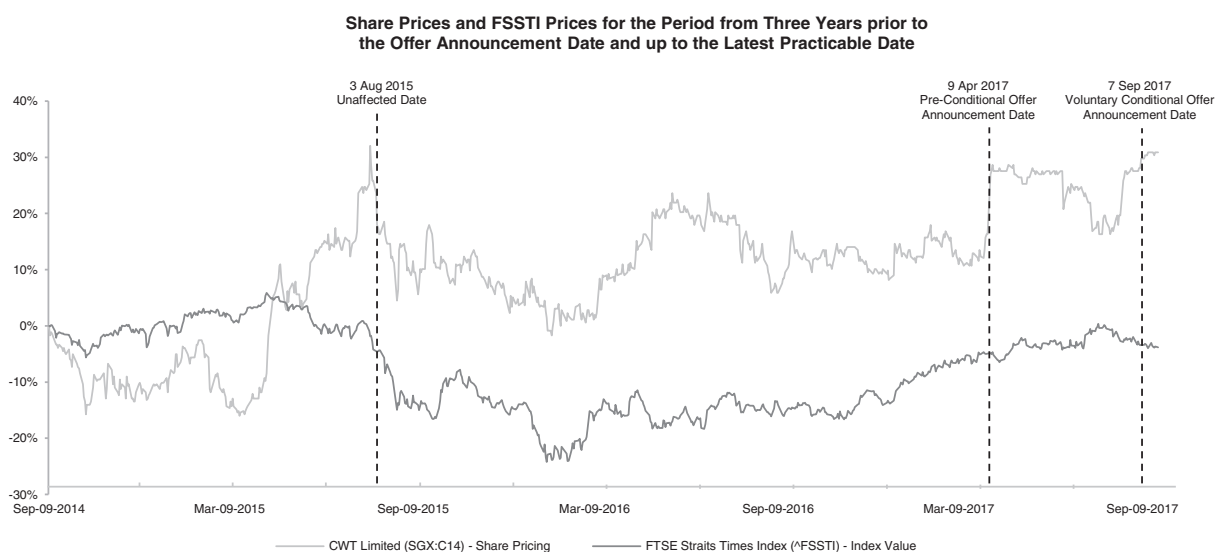
We have also considered the trading liquidity of the Shares. As at the Latest Practicable Date, the Company had a free float of approximately 207.7 million shares or equivalent to approximately 34.6% of the total issued Shares as at the Offer Announcement Date. We note the following:

- (a) The average daily traded volume of the Shares for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to and including the Unaffected Date represents approximately 0.4%, 0.4%, 0.6%, 0.5% and 0.4% of the free float, respectively;
- (b) The average daily traded volume of the Shares as at the Unaffected Date represents 0.1% of the free float;
- (c) The average daily traded volume of the Shares for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to the Pre-Conditional Offer Announcement Date represents approximately 0.3%, 0.2%, 0.2%, 0.3% and 0.3% of the free float, respectively;

- (d) The average daily traded volume of the Shares on the last trading date prior to the Pre-Conditional Offer Announcement Date represents approximately 0.5% of the free float;
- (e) The average daily traded volume of the Shares for the periods 1 year, 6 months, 3 months and 1 month prior to the Offer Announcement Date represents approximately 0.5%, 0.8%, 0.7% and 0.7% of the free float, respectively;
- (f) The average daily traded volume of the Shares on the last trading date prior to the Offer Announcement represents approximately 0.6% of the free float; and
- (g) The average daily traded volume of the Shares for the period following the Offer Announcement Date up to the Latest Practicable Date represents approximately 2.6% of the free float and the traded volume of the Shares on the Latest Practicable Date represents approximately 1.9% of the free float, which are higher than the average daily traded volume for the other periods.

The past liquidity of the Shares, particularly for the period after the Offer Announcement Date, should not be relied upon in any way as an indication of the future liquidity of the Shares. We wish to highlight that there is no assurance that the liquidity of the Shares will remain at the same level after the Offer closes.

In order to assess the market price performance of the Shares vis-à-vis the general price performances of the Singapore equity market in general, we have compared the market movement of the Shares against the FTSE Straits Times Index (“**FSSTI**”) for the period from three years prior to the Offer Announcement Date and up to the Latest Practicable Date.



Source: Capital IQ, rebased to 0% on 9 September 2014

We note that the Shares had outperformed the FSSTI in relative terms over the period three years prior to the Offer Announcement Date and up to the Latest Practicable Date.

We wish to highlight that the analysis on the historical trading performance of the Shares serves only as an illustrative guide and is not an indication of the future trading performance of the Shares.

## 10.2 Comparison with privatisation transactions for companies listed on the SGX-ST

In assessing the reasonableness of the Offer Price, we have also examined recent similar transactions by listed companies on the SGX-ST Main Board involving successful privatization transactions announced and completed in the period between 1 January 2016 and the Latest Practicable Date, and wherein the offerors had indicated their intentions to privatise the target companies (the “**Precedent Privatisation Transactions**”). Privatisation transactions of companies listed on the SGX-ST are generally carried out by way of voluntary general offer under the Code (“**VGO**”), mandatory general offer under the Code (“**MGO**”), scheme of arrangement under Section 210 of the Companies Act (“**SOA**”), or voluntary delisting under Rule 1307 of the SGX-ST Listing Manual (“**VD**”). Our analysis of the Precedent Privatisation Transactions is to illustrate the premiums/discounts represented by each of the respective offer prices over/to the traded prices prior to the announcements of such Precedent Privatisation Transactions.

The Independent Directors and Shareholders should note that due to the differences in, *inter alia*, business activities, scale of operations, geographical spread of activities, track record and future prospects, accounting standards and policies, any comparison made with respect to the Precedent Privatisation Transactions are for illustrative purposes only. The Precedent Privatisation Transactions are not directly comparable to the terms and conditions of the Offer. The premium any offeror is prepared to pay for in any particular offer transaction depends on various factors, including prevailing market conditions and general economic and business risks. The conclusions drawn from such comparisons, therefore, may not necessarily reflect the perceived or implied market valuation for the Company. In addition, we wish to highlight that the list of Precedent Privatisation Transactions is by no means exhaustive and information relating to the Precedent Privatisation Transactions was compiled from publicly available information.

Company name	Type	Announcement date	Premium/(Discount) of the offer price over/(to) relevant prices prior to announcement <sup>(1)</sup>				
			Last Transacted Price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	12-month VWAP (%)
XinRen Aluminum Holdings Limited	VGO	25 Feb 2016	31.3	49.6	50.0	48.5	36.1
OSIM International Ltd	VGO	7 Mar 2016	27.0	40.9	42.5	16.7	(2.2)
Indiabulls Properties Investment Trust	MGO	27 Apr 2016	25.0	26.9	26.3	25.6	21.4
China Merchants Holdings (Pacific) Ltd	VGO	9 May 2016	22.9	21.8	25.3	20.2	8.0
Eu Yan Sang International Ltd	VGO	16 May 2016	2.6	8.5	16.5	24.7	22.5
Otto Marine Limited	VD	8 Jun 2016	39.1	44.8	43.5	42.9	(13.5)
SMRT Corporation Ltd	SOA	20 Jul 2016	8.7	10.8	10.7	8.7	15.5
Sim Lian Group Limited	VGO	8 Aug 2016	14.9	16.6	19.5	21.3	23.0
China Minzhong Food Corporation Ltd	VGO	6 Sep 2016	25.0	24.8	23.1	25.9	35.4
Aztech Group Ltd.	VD	20 Sep 2016	29.2	38.6	21.0	10.5	(13.2)
China Auto Electronics Group Limited	MGO	24 Oct 2016	23.1	50.9	65.0	65.0	88.2
Innovalues Limited	SOA	26 Oct 2016	14.5	19.0	21.6	27.8	30.5
Super Group Ltd	VGO	3 Nov 2016	62.5	60.5	62.5	55.9	51.0



Company name	Type	Announcement date	Premium/(Discount) of the offer price over/(to) relevant prices prior to announcement <sup>(1)</sup>				
			Last Transacted Price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	12-month VWAP (%)
ARA Asset Management Limited	SOA	8 Nov 2016	26.2	29.6	30.3	31.7	43.9
Advanced Integrated Mfg. Corp. Ltd.	VD	24 Nov 2016	22.8	20.7	20.7	17.3	6.1
Auric Pacific Group Limited	VGO	7 Feb 2017	13.7	17.7	23.8	35.6	60.8
Nobel Design Holdings Ltd	MGO	2 May 2017	8.5	9.4	15.9	19.4	25.9
Changtian Plastic & Chemical Limited	VGO	29 May 2017	45.3	46.6	48.2	49.5	63.7
<b>Low</b>			<b>2.6</b>	<b>8.5</b>	<b>10.7</b>	<b>8.7</b>	<b>(13.5)</b>
<b>High</b>			<b>62.5</b>	<b>60.5</b>	<b>65.0</b>	<b>65.0</b>	<b>88.2</b>
<b>Average</b>			<b>24.6</b>	<b>29.9</b>	<b>31.5</b>	<b>30.4</b>	<b>28.0</b>
<b>Median</b>			<b>24.1</b>	<b>25.9</b>	<b>24.6</b>	<b>25.8</b>	<b>24.5</b>
<b>CWT – Implied by the Offer Price and based on prices prior to and including the Unaffected Date</b>			<b>5.9</b>	<b>6.4</b>	<b>14.8</b>	<b>27.3</b>	<b>30.9</b>

Source: Capital IQ, company circulars and company reports

**Note:**

- (1) Market premium/discount is calculated based on the share price on either the last trading day or unaffected day for the given periods, as defined in the respective circulars.

We have based our evaluation on the Precedent Privatisation Transactions on the Share prices in relation to the Unaffected Date, as the trading price of the Shares may have been influenced following the Board's announcement on the Unaffected Date that the Company's controlling shareholder, C&P, was considering a strategic review of the business and assets of C&P. We note the following with regard to the Precedent Privatisation Transactions:

- (a) the premium of 5.9% implied by the Offer Price against the last transacted price of the Shares prior to and including the Unaffected Date is within the range of premiums, and below the median and average premiums of the Precedent Privatisation Transactions;
- (b) the premium of 6.4% implied by the Offer Price against the 1-month VWAP of the Shares prior to the Unaffected Date is below the range of premiums of the Precedent Privatisation Transactions;
- (c) the premium of 14.8% implied by the Offer Price against the 3-month VWAP of the Shares prior to the Unaffected Date is within the range of premiums, and is below the median and average premiums of the Precedent Privatisation Transactions; and
- (d) the premium of 27.3% and 30.9% implied by the Offer Price against the 6-month and 12-month VWAPs of the Shares prior to the Unaffected Date are within the respective ranges of premiums, and are above the median premiums of the Precedent Privatisation Transactions.

### 10.3 Comparison of valuation measures of the Company against those of selected listed comparable companies

In our evaluation, we have considered the following widely used valuation measures:

Valuation Measure	Description
Enterprise Value-to-Earnings before Interests, Taxes, Depreciation and Amortisation Ratio (“ <b>EV/EBITDA Ratio</b> ”)	<p>EV refers to enterprise value which is the sum of a company’s market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents</p> <p>EBITDA refers to the historical consolidated earnings before interests, taxes, depreciation and amortisation</p>
Price-to-Earnings Ratio (“ <b>P/E Ratio</b> ”)	P/E Ratio or earnings multiple is the ratio of a company’s market capitalisation divided by the historical consolidated net profit attributable to shareholders
Price-to-NAV Ratio (“ <b>P/NAV Ratio</b> ”)	<p>NAV refers to consolidated net asset value, which is calculated as total assets of a company less total liabilities</p> <p>P/NAV Ratio refers to the ratio of a company’s share price divided by net asset value per share</p>

Based on our discussions with the management of the Company and a search for comparable listed companies on CapitalIQ, OneSource and other available databases, we recognise that there is no particular listed company that we may consider to be directly comparable to the CWT Group in terms of the composition of the business activities, company size, scale of operations, service range, customer base, risk profile, geographical spread of activities, accounting standards and policies used, and such other relevant criteria. However, after discussions with the Management, we have selected companies which we believe are broad proxies to the two (2) core business segments of the CWT Group in terms of revenues, being (a) logistics services, which include warehousing, transportation, freight forwarding and cargo consolidation, supply chain management services such as procurement, inventory management, packing and other value added services and delivery to end customers, and container management services (the “**Logistics Services Comparable Companies**”), and (b) commodity marketing, which includes physical trading and supply chain management of base metal non-ferrous concentrates and energy products (the “**Commodity Marketing Comparable Companies**,” and together with the Logistics Services Comparable Companies, the “**Comparable Companies**”).

Aside from the logistics services and commodity marketing business segments, we note that the CWT Group has two (2) other business segments, namely, financial services (includes financial brokerage services, structured trade services and assets management services) and engineering services (includes management and maintenance of facilities, vehicles and equipment, supply and installation of engineering products, property management, and design-and-build for logistics properties). For the purposes of our evaluation of the Comparable Companies, we have selected the logistics services and commodity marketing business segments based on the revenues generated by both

segments. For the 12-month period ended 30 June 2017, the aggregate revenues generated by the logistics services and commodity marketing business segments represent 97.1% of the total revenues of the CWT Group.

The Independent Directors and Shareholders should note that any comparison made with respect to the Comparable Companies is for illustrative purposes only as there is no one company with the exact scope of business and using the exact accounting policies and standards as those of the CWT Group. The conclusions drawn from such comparisons, therefore, may not necessarily reflect the perceived or implied market valuation of the CWT Group as at the Latest Practicable Date. In addition, we wish to highlight that the list of Comparable Companies is by no means exhaustive.

Accordingly, for the purposes of our evaluation, we have considered the following Comparable Companies whose activities, in our view (and as explained above), are broadly comparable to those of the CWT Group:

Selected Comparable Companies/Exchange location	Brief business description	Market capitalization (S\$ million)
<b>Logistics Services Comparable Companies</b>		
CJ Logistics Corporation (“ <b>CJ Logistics</b> ”)/ South Korea	CJ Logistics provides integrated logistics services in Korea and internationally. The company is involved in contract logistics, parcel delivery, international express and other related business. The company also offers warehousing and distribution; air and sea freight, and project cargo forwarding; container and bulk cargo stevedoring; and heavy and bulk cargo shipping services, as well as operates harbors.	3,154
Kerry Logistics Network Limited (“ <b>Kerry Logistics</b> ”)/ Hong Kong	Kerry Logistics provides logistics services in Asia and internationally. The company offers integrated logistics services, including storage and value-added services, trucking and distribution services, returns management services, and various ancillary services, as well as leases warehousing space in Hong Kong. It also provides international freight forwarding services, primarily intra-Asia and between Asia and Europe.	3,053
Allcargo Logistics Limited (“ <b>Allcargo</b> ”)/India	Allcargo provides integrated logistics solutions in India and internationally. It engages in less than container load (LCL) consolidation, full container load forwarding activities, import and export handling, LCL shipment, bonded and general warehouse, transportation, specialized cargo handling, dry containers maintenance and repair, reefer monitoring, reefer plug points, and hazmat handling services, integrated end-to-end project, engineering, and logistic services through a fleet of special equipment, such as hydraulic axles, cranes, trailers, barges, reach-stackers, forklifts, and ships to carry bulk and ODC/OWC cargos, as well as project engineering solutions across various sectors.	876

<b>Selected Comparable Companies/Exchange location</b>	<b>Brief business description</b>	<b>Market capitalization (\$ million)</b>
Kerry TJ Logistics Company Limited (“ <b>Kerry TJ Logistics</b> ”)/ Taiwan	Kerry TJ Logistics provides integrated logistics services worldwide. It offers truck freight, truck route freight, truck container transport services, cold storage and temperature controlled distribution services, international freight forwarding services, such as sea freight, air freight, sea and air joint freight, insurance brokerage, customs clearance, and courier services.	755
TASCO Berhad (“ <b>TASCO</b> ”)/ Malaysia	TASCO provides logistics solutions worldwide. It operates through Air Freight Forwarding, Contract Logistics, Trucking, Ocean Freight Forwarding, and Origin Cargo Order and Vendor Management segments. The company offers air freight forwarding services, sea freight forwarding services, systems and solutions for integrated supply chain management, as well as other logistics solutions. It also operates a fleet of trucks under the Harimau Express brand name.	152

#### **Commodity Marketing Comparable Companies**

Glencore Plc (“ <b>Glencore</b> ”)/ UK	Glencore engages in the production, refinement, processing, storage, transport, and marketing of commodities worldwide. It operates in three segments: Metals and Minerals, Energy Products, and Agricultural Products.	89,403
Wilmar International Limited (“ <b>Wilmar</b> ”)/Singapore	Wilmar operates as an agribusiness company in the People’s Republic of China and internationally. The company operates through four segments: Tropical Oils, Oilseeds and Grains, Sugar, and Others.	20,365
Bunge Limited (“ <b>Bunge</b> ”)/ USA	Bunge operates as an agribusiness and food company worldwide. It operates through five segments: Agribusiness, Edible Oil Products, Milling Products, Sugar and Bioenergy, and Fertilizer.	13,534
Olam International Limited (“ <b>Olam</b> ”)/ Singapore	Olam engages in sourcing, processing, packaging, and merchandising agricultural products and food ingredients worldwide. The company operates in five segments: Edible Nuts, Spices & Vegetable Ingredients; Confectionery & Beverage Ingredients; Food Staples & Packaged Foods; Industrial Raw Materials, Ag Logistics & Infrastructure; and Commodity Financial Services.	5,428

<b>Selected Comparable Companies/Exchange location</b>	<b>Brief business description</b>	<b>Market capitalization (S\$ million)</b>
Xiamen ITG Group Corp., Ltd. (" <b>Xiamen ITG</b> ")/ China	Xiamen ITG engages in the supply chain management, real estate, and financial service businesses in China. The company trades in iron ores and other minerals, non-ferrous metals, coal, steel, paper, textile, chemical products/rubber, farm produce, bulk industrial raw materials and others. Its other businesses include development and management of real estate projects, financial investment and others.	3,378
Minmetals Development Co., Ltd. (" <b>Minmetals</b> ")/ China	Minmetals engages in the trading of steel and metallurgical raw materials in China and internationally.	3,042
LG International Corp. (" <b>LG International</b> ")/ South Korea	LG International engages in the coal, petroleum, non-ferrous metals, and palm businesses. The company is involved in the development and supply of coal; development of oil and gas fields; development and trading of the industrial raw materials in the field of nonferrous metals, including aluminum, copper, tin, and zinc; and crude palm oil plantations businesses.	1,257

Source: Capital IQ, company reports and company websites

### **Valuation Measures of the Comparable Companies in Comparison with the Valuation Measures of the CWT Group implied by the Offer Price**

<b>Comparable Companies</b>	<b>Listed Exchange</b>	<b>Market Capitalization<sup>(1)</sup> (in S\$ millions)</b>	<b>EV/ EBITDA Ratio<sup>(2)</sup> (times)</b>	<b>P/E Ratio<sup>(3)</sup> (times)</b>	<b>P/NAV Ratio<sup>(4)</sup> (times)</b>
<b>Logistics Services Comparable Companies</b>					
CJ Logistics	South Korea	3,154	12.5	<i>n.m.</i>	1.1
Kerry Logistics	Hong Kong	3,053	10.3	9.1	1.1
Allcargo	India	876	10.3	18.2	2.4
Kerry TJ Logistics	Taiwan	755	10.5	16.3	2.2
TASCO	Malaysia	152	8.1	15.0	1.4
<b>Low</b>			<b>8.1</b>	<b>9.1</b>	<b>1.1</b>
<b>High</b>			<b>12.5</b>	<b>18.2</b>	<b>2.4</b>
<b>Average</b>			<b>10.3</b>	<b>14.6</b>	<b>1.6</b>
<b>Median</b>			<b>10.3</b>	<b>15.6</b>	<b>1.4</b>
<b>Commodity Marketing Comparable Companies</b>					
Glencore	UK	89,403	9.0	15.8	1.5
Wilmar	Singapore	20,365	12.2	11.0	1.0
Bunge	USA	13,534	12.3	19.4	1.5
Olam	Singapore	5,428	14.3	13.1	1.0
Xiamen ITG	China	3,378	8.4	13.6	1.0
Minmetals	China	3,042	<i>n.m.</i>	<i>n.m.</i>	3.0
LG International	South Korea	1,257	10.4	16.8	0.8
<b>Low</b>			<b>8.4</b>	<b>11.0</b>	<b>0.8</b>
<b>High</b>			<b>14.3</b>	<b>19.4</b>	<b>3.0</b>
<b>Average</b>			<b>11.1</b>	<b>15.0</b>	<b>1.4</b>
<b>Median</b>			<b>11.3</b>	<b>14.7</b>	<b>1.0</b>
<b>CWT (Implied by the Offer Price)</b>	<b>Singapore</b>	<b>1,399</b>	<b>10.7</b>	<b>12.0</b>	<b>1.5</b>

Source: Capital IQ, company announcements, company reports

**Notes:**

- (1) Market capitalisation for the Comparable Companies is based on the outstanding number of shares and the closing price as at Latest Practicable Date as obtained from Capital IQ. Market capitalisation of the Company is approximately S\$1,399 million based on the Offer Price of S\$2.33 per Share and the total outstanding Shares of 600,304,650 as at the Latest Practicable Date.
- (2) For the Comparable Companies, EV is computed based on the latest available consolidated financial results, except for market capitalisation which is as at the Latest Practicable Date, and EBITDA is computed based on a trailing 12-month basis from the interim unaudited consolidated financial results. EV of the Company is based on the equity consideration of approximately S\$1,399 million implied by the Offer Price and the Company's latest unaudited consolidated financial results as at 30 June 2017. EBITDA of the Company is computed based on the Company's unaudited consolidated results for the 12 months ended 30 June 2017.
- (3) Net profit attributable to shareholders of the Comparable Companies and the Company are computed on a trailing 12-month basis based on the companies' interim unaudited consolidated financial results and the Company's unaudited consolidated results for the 12 months ended 30 June 2017, respectively.
- (4) P/NAV ratio is the ratio of a company's share price as at the Latest Practicable Date divided by its consolidated net asset value per share as at the latest available financial results.
- (5) The financial statements of the Comparable Companies are reported in various currencies, which may or may not be in Singapore dollars and which may be different from the respective currencies that their shares are traded in. For the purposes of computing and comparing the valuation measures, financial figures in relation to the balance sheet of the Comparable Companies have been translated (if applicable) to Singapore dollars using a suitable exchange rate as at the balance sheet date as obtained from Capital IQ, while earning figures have been translated (if applicable) to Singapore dollars using a suitable average exchange rate for the relevant financial period, as obtained from Capital IQ. Closing share prices of the Comparable Companies as at the Latest Practicable Date have been translated (if applicable) to Singapore dollars using a suitable exchange rate as at the Latest Practicable Date, as obtained from Capital IQ.

**(A) Comparison of EV/EBITDA Ratios**

The EV/EBITDA Ratio illustrates the ratio of the market value of an entity's business in relation to its historical pre-tax operating cashflow performance and disregards the entity's existing capital structure.

We note that for the Logistics Services Comparable Companies, the range of EV/EBITDA Ratios is between 8.1 times and 12.5 times, while the average and median EV/EBITDA Ratios are 10.3 times.

We also note that for the Commodity Marketing Comparable Companies, the range of EV/EBITDA Ratios is between 8.4 times and 14.3 times, while the average EV/EBITDA Ratio is 11.1 times and the median EV/EBITDA Ratio is 11.3 times.

The EV/EBITDA Ratio of the Company implied by the Offer Price of 10.7 times is within the range of the EV/EBITDA Ratios of the Comparable Companies, above the average and the median EV/EBITDA Ratios of the Logistics Services Comparable Companies, and below the average and median EV/EBITDA Ratios of the Commodity Marketing Comparable Companies.

**(B) Comparison of P/E Ratios**

The P/E Ratio illustrates the ratio of the market capitalisation of an entity in relation to the historical net profit attributable to its shareholders.

We note that for the Logistics Services Comparable Companies, the range of P/E Ratios is between 9.1 times and 18.2 times, while the average P/E Ratio is 14.6 times, and the median P/E Ratio is 15.6 times.

We also note that for the Commodity Marketing Comparable Companies, the range of P/E Ratios is between 11.0 times and 19.4 times, while the average P/E Ratio is 15.0 times, and the median P/E Ratio is 14.7 times.

The P/E Ratio of the Company implied by the Offer Price of 12.0 times is within the range of the P/E Ratios of the Comparable Companies, and below the average and median P/E Ratios of the Logistics Services Comparable Companies and the Commodity Marketing Comparable Companies.

### **(C) Comparison of P/NAV Ratios**

The P/NAV Ratio represents an asset-based relative valuation which takes into consideration the net tangible assets of a company.

We note that for the Logistics Services Comparable Companies, the range of P/NAV Ratios is between 1.1 times and 2.4 times, while the average P/NAV Ratio is 1.6 times, and the median P/NAV Ratio is 1.4 times.

We also note that for the Commodity Marketing Comparable Companies, the range of P/NAV Ratios is between 0.8 times and 3.0 times, while the average P/NAV Ratio is 1.4 times, and the median P/NAV Ratio is 1.0 time.

The P/NAV Ratio of the Company implied by the Offer Price of 1.5 times is within the range of the P/NAV Ratios of the Comparable Companies, below the average but above the median P/NAV Ratios of the Logistics Services Comparable Companies, and above the average and median P/NAV Ratios of the Commodity Marketing Comparable Companies.

Further analysis on the NAV and RNAV of the CWT Group and the premium implied by the Offer Price to the NAV and RNAV of the CWT Group are discussed in Section 10.4 of this letter.

## **10.4 Analysis of the NAV and RNAV of the CWT Group**

In an NAV-based valuation, a valuation analysis is performed for a company's identified fixed, financial and other assets. The derived aggregate value of these assets is then "netted" against the estimated value of all existing liabilities, resulting in an indication of the value of the shareholders' equity.

The net asset backing method is appropriate when the entity being valued is predominantly an investment company which does not carry on any business operations of a commercial nature. The method is also appropriate where (i) the entity's business is to cease operations, and/or (ii) the entity intends to convert the uses of all or most of its assets. This method may ignore the ability of the asset base of the entity to generate ongoing future earnings and sustain an earnings-based valuation.

In this regard, we note that the Offeror has no current intention to propose any change to the businesses and operations of the CWT Group or to re-deploy the fixed assets of the CWT Group, other than in the ordinary course of business. As set out in Section 8.2 of the Letter to Shareholders in the Offer Document, the Offeror's intentions relating to the CWT Group are as follows:

### **"8.2 The Offeror's Intentions in relation to CWT**

*8.2.1 The Offeror currently has no present intention to introduce any major changes to the existing business of the CWT Group, employment of the employees of CWT and/or its subsidiaries, or to re-deploy any of the fixed assets of CWT and/or its subsidiaries, other than in the ordinary course of business.*

8.2.2 *Nevertheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which it regards to be in the interests of the Offeror and/or CWT.”*

Given the above, we have deemed that the following asset-based analyses would not be the primary consideration in our overall evaluation of the Offer and should be regarded for illustrative purposes only.

The NAV, which is reflected in a company's financial statements, is calculated as total assets less all liabilities, and determined by relevant accounting policies and procedures. The RNAV figures takes into account adjustments to a company's principal assets based on their estimated current market values.

Based on the Company's unaudited consolidated financial statements as at 30 June 2017, the unaudited NAV of the CWT Group was about S\$908.7 million or S\$1.51 per Share. We note that the Offer Price represents a premium of approximately 53.9% to the unaudited NAV as at 30 June 2017 or a P/NAV Ratio of 1.54 times.

We have also taken into consideration whether there are any factors which, based on applicable accounting standards and policies, have not been disclosed in the CWT Group's announced financial results that may have a material impact on the unaudited NAV of the CWT Group as at 30 June 2017. The Management and the Directors have confirmed that, save as disclosed in the unaudited financial statements of the CWT Group as at 30 June 2017 and to the best of their knowledge, there is no material information undisclosed in accordance with the applicable accounting standards and policies (including any asset impairment, surplus in revaluation and material contingent liabilities) that may materially impact the NAV of the CWT Group as at the Latest Practicable Date.

In our review of the unaudited balance sheet of the CWT Group as at 30 June 2017, we have also considered whether there are any intangible assets that would not appear in the valuation based on the unaudited NAV of the CWT Group as at 30 June 2017. The Management and the Directors have confirmed that, save as disclosed and to the best of their knowledge, there are no intangible assets which should be disclosed in the balance sheet of the CWT Group in accordance with the applicable accounting standards and policies as at the Latest Practicable Date.

We have also taken into consideration any tangible asset of the CWT Group that should be valued and reflected at a different amount from the amount that is recorded in the unaudited financial statements as at 30 June 2017.

The Company has appointed the Independent Valuer to conduct, in connection with the Offer, an independent valuation of the CWT Group's major properties in Singapore (the "**Properties**"), comprising more than 85% of the total book value of all properties owned by the CWT Group as of 31 December 2016. The Valuation Reports dated 9 September 2017 are set out as Appendix VI to the Offeree Circular.

We note that the valuations are the Independent Valuer's opinion on the market value of the Properties, which, as set out in the Valuation Reports, is intended to mean "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*"



For illustrative purposes only, as set out in the Valuation Reports, the summary of values of the Properties is as follows:

No.	Property	Market Value in its existing state attributable to the CWT Group as at 9 Sep 2017 (S\$'000)
1.	CWT Pandan Logistics Centre – 4 Pandan Avenue	132,000
2.	CWT Logistics Hub 3 – 52 Tanjong Penjuru	173,400
3.	Singapore Wine Vault Building – 6 Fishery Port Road	240,000
4.	CWT Jurong East Logistics Centre – 5A Toh Guan Road East	110,200
5.	CWT Logistics Hub 1 – 38 Tanjong Penjuru	79,500
6.	CWT Limited – 47 Jalan Buroh	438,000
Total Market Value		1,173,100
Less: Book Value/Development Cost as at 30 Jun 2017		677,664
<b>Revaluation Surplus</b>		<b>495,436</b>

Source: Savills Valuation and Professional Services (S) Pte Ltd's Valuation Reports dated 9 September 2017

With reference to Property 6 above, we note that the integrated logistics megahub of the CWT Group is currently under construction, with the 9-storey single-user warehouse development with ancillary office and temporary industrial canteen with ramp access up to 7th storey having obtained Temporary Operating Permits in phases between February and August 2017. We note that the market value of Property 6, if valued assuming the integrated logistics facilities have been completed and developed to its maximum development potential, would amount to approximately S\$438.0 million. We also note that the CWT Group is in the process of applying to the relevant authorities for the permission certificates in respect of the development of phase 2. Subject to all relevant approvals being obtained, the CWT Group plans to complete the construction of the integrated logistics facilities by 2019.

We note that, based on information provided by the Company, the potential tax liabilities that may be incurred by the CWT Group on the hypothetical disposal of the Properties on an "as is" basis amount to approximately S\$40.3 million, comprising income tax on the taxable profit from the sale of the Properties and taxable balancing charge. The aforesaid tax liabilities will not crystallise if the CWT Group does not dispose of its interests in the Properties. We also note the Company's confirmation that it has no current plans to dispose of its interests in the Properties. Further, we note that there are sale restrictions under the land lease agreements of certain Properties. As such, the aforesaid tax liabilities are not likely to crystallise. The market values as shown in the table above exclude such potential tax liabilities.

Based on the unaudited balance sheet of the CWT Group as at 30 June 2017, the book value of the Properties is approximately S\$677.7 million. Based on the Valuation Reports, the total market value of the Properties as at 9 September 2017 is approximately S\$1,173.1 million, excluding any potential tax liabilities.

For discussion purposes only, the unaudited RNAV of the CWT Group is approximately S\$1,363.9 million or S\$2.27 per Share as computed by the Management, after taking into account adjustments due to the revaluation of the Properties as set out in the Valuation Reports and the potential tax liabilities that would arise if the Properties were to be sold at the amount of the valuation as set out in the Valuation Reports. Based on the unaudited balance sheet of the CWT Group as at 30 June 2017, the NAV of the CWT Group is S\$908.7 million or S\$1.51 per Share. Based on the unaudited RNAV per Share of S\$2.27 above, the Offer Price represents a premium of approximately 2.6%.

In the table below, we have set out the adjustments which were made in determining the RNAV of the CWT Group.

	<b>(S\$'000)</b>
CWT Group's unaudited NAV (as at 30 Jun 2017)	908,687
<i>Add: Revaluation surplus arising from the revalued Properties</i>	495,436
<i>Less: Potential tax liabilities (that would arise if the Properties were to be sold)</i>	40,263
<b>RNAV of the CWT Group (as at 30 Jun 2017)</b>	<b>1,363,860</b>

*Source: Company management*

While the unaudited RNAV is a relevant basis for comparison, the Independent Directors should note that it is not necessarily a realisable value as the market value of the Properties and any tax liabilities arising from the sale of the Properties may vary depending on prevailing market and economic conditions. It should also be noted that there are sale restrictions under the land lease agreements of certain Properties.

## **10.5 Intention of the Offeror regarding the listing status of the Company**

The details on the Offeror's intention with regard to the listing status of the Company are set out in Section 8.3 of the Letter to Shareholders in the Offer Document.

We note that Offeror has stated that it intends to delist and privatise the Company, if possible. Accordingly,

- (a) in the event the Offeror receives acceptances for the Offer such that less than 10% of the total number of issued Shares (excluding any shares held by CWT as treasury shares) are held in public hands, the Offeror presently has no intention to support any action or take any steps to maintain the listing status of the Company on the SGX-ST, and reserves its right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the SGX-ST Listing Manual; and
- (b) if and when entitled, the Offeror intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act. The Offeror will then proceed to delist the Company from the SGX-ST and the Company will be its wholly-owned subsidiary. However, in the event that the Offeror receives acceptances for the Offer such that more than 10% of the total number of issued Shares (excluding Shares held as treasury shares) are held in public hands, CWT will remain listed on the SGX-ST and the Offeror will continue to review and evaluate CWT's position.

We wish to highlight that there is no assurance that the Company will remain listed on the SGX-ST and no guarantee that the Shares will continue to be traded on the SGX-ST after the close of the Offer. As such, Shareholders who do not accept the Offer may encounter lower trading liquidity and/or face difficulties in selling their Shares after the close of the Offer.

## **10.6 Other Relevant Considerations**

We have also considered the following in our evaluation of the Offer:

### **(a) No revision of the Offer Price**

We wish to highlight to the Shareholders that the Offeror has stated that it does not intend to and will not increase the Offer Price or revise any other terms of the Offer. As such, the Offer Price is the final price for the Offer Shares.

### **(b) Vendor Undertakings**

We note that as at the Latest Practicable Date, the Vendors have given irrevocable undertakings to, *inter alia*, accept the Offer. Importantly, these Shareholders have provided undertakings in respect of an aggregate of 390,969,900 Shares, which represents approximately 65.13% of the total number of issued Shares as at the Latest Practicable Date.

### **(c) Offer Condition**

Shareholders should note that, as set out in Section 2.4 of the Letter to Shareholders in the Offer Document, the Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and its concert parties (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and its concert parties holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares (excluding any treasury shares) as at the close of the Offer.

The offer was declared unconditional in all respects on the Offer Unconditional Date. As at the Latest Practicable Date, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror, and (b) valid acceptances to the Offer, amount to an aggregate of 432,436,099 Shares, representing approximately 72.04% of the total issued Shares as at the Latest Practicable Date.

### **(d) No alternative offers from third parties**

We understand from the Directors that, as at the Latest Practicable Date, there is no other alternative offer or proposal to the Company which is comparable to the Offer. We also note that there is no publicly available evidence of an alternative offer for the Shares from any third party.

## 11 OUR ADVICE ON THE OFFER

In arriving at our advice on the Offer, we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Offer. The factors we have considered in our evaluation, which are discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:

- (a) **The premiums implied by the Offer Price.** For the 3-year period prior to the Offer Announcement Date up to the Latest Practicable Date, the Company's Share price traded below the Offer Price of S\$2.33 per Share for the entire period, save for 28 July 2015, when the Shares traded at S\$2.35.

Over the last two years prior to and including the Unaffected Date, the market price of the Shares traded between a low of S\$1.24 and a high of S\$2.35.

The Offer Price represents premiums of approximately 38.7%, 30.9%, 27.3%, 14.8%, and 6.4% over the VWAPs for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to and including the Unaffected Date, respectively, and a premium of approximately 5.9% over the last transacted price on the Unaffected Date.

The Offer Price represents premiums of approximately 6.9%, 5.4%, 6.4%, and 5.0% over the VWAPs for the periods 1 year, 6 months, 3 months and 1 month prior to the Offer Announcement Date, and a premium of approximately 2.6% over the last transacted price prior to the Offer Announcement Date.

For the period following the Offer Announcement Date up to the Latest Practicable Date, Shares traded between S\$2.31 and S\$2.33 per Share. The Offer Price of S\$2.33 represents a premium of 0.4% to the VWAP of the Shares over this period.

- (b) **The liquidity of the Shares.** The average daily traded volume of the Shares for the periods 2 years, 1 year, 6 months, 3 months and 1 month prior to and including the Unaffected Date represents approximately 0.4%, 0.4%, 0.6%, 0.5% and 0.4% of the free float as at the Offer Announcement Date, respectively.

The average daily traded volume of the Shares for the periods 1 year, 6 months, 3 months and 1 month prior to the Offer Announcement Date represents approximately 0.5%, 0.8%, 0.7% and 0.7% of the free float as at the Offer Announcement Date.

The average daily traded volume of the Shares for the period following the Offer Announcement Date up to the Latest Practicable Date represents approximately 2.6% of the free float as at the Offer Announcement Date, which is higher than the average daily traded volume for the other periods.

- (c) **Price performance of the Shares against the Singapore equity market.** Over the last three years prior to the Offer Announcement Date and up to the Latest Practicable Date, the Shares had outperformed the FSSTI in relative terms.
- (d) **Comparison with privatisation transactions of companies listed on the SGX-ST.** The premium of 5.9% implied by the Offer Price against the last transacted price of the Shares prior to and including the Unaffected Date is within the range of premiums but below the median and average premiums of the Precedent Privatisation Transactions.

The premiums of 27.3% and 30.9% implied by the Offer Price against the 6-month and 12-month VWAPs of the Shares prior to the Unaffected Date are within the respective ranges of premiums and above the median premium of the Precedent Privatisation Transactions.

- (e) **Comparison of valuation measures of the Company.** The Shares as implied by the Offer Price of S\$2.33, trade at an EV/EBITDA Ratio, P/E Ratio and P/NAV Ratio of 10.7 times, 12.0 times and 1.5 times, respectively.

The EV/EBITDA Ratio implied by the Offer Price is above the median and average EV/EBITDA Ratios of the Logistics Services Comparable Companies, but is below the average and median EV/EBITDA Ratios of the Commodity Marketing Comparable Companies.

The P/E Ratio implied by the Offer Price is within the range, but below both the average and median P/E Ratios of the Comparable Companies.

The P/NAV Ratio implied by the Offer Price is within the range of the P/NAV Ratios of the Comparable Companies, above the average and median P/NAV Ratios of the Commodity Marketing Comparable Companies, above the median but below the average P/NAV Ratios of the Logistics Services Comparable Companies.

- (f) **Analysis of the RNAV of the CWT Group.** Based on the unaudited RNAV of the CWT Group, the Offer Price represents a premium of approximately 2.6%. While the unaudited RNAV is a relevant basis for comparison, it is not necessarily a realisable value as the market value of the Properties and any tax liabilities arising from the sale of the Properties may vary depending on prevailing market and economic conditions.
- (g) **Offeror's intentions for the CWT Group.** The Offeror has stated that it intends to delist and privatise the Company, if possible, and make the Company its wholly-owned subsidiary.
- (h) **No revision of the Offer Price.** The Offeror has stated that it does not intend to and will not increase the Offer Price or revise any other terms of the Offer.
- (i) **Vendor Undertakings.** The Vendors have provided undertakings to the Offeror in respect of an aggregate of 390,969,900 Shares, which represents approximately 65.13% of the total number of issued Shares as at the Latest Practicable Date.
- (j) **Offer Condition.** The Offer was declared unconditional in all respects on the Offer Unconditional Date. As at the Latest Practicable Date, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror, and (b) valid acceptances to the Offer, amount to an aggregate of 432,436,099 Shares, representing approximately 72.04% of the total issued Shares as at the Latest Practicable Date.
- (k) **No alternative offers from third parties.** As at the Latest Practicable Date, there is no other alternative offer or proposal to the Company which is comparable to the Offer.

In arriving at our conclusion, we have considered the information available to us as at the Latest Practicable Date. The summary of the analyses we have undertaken is set out as items above.

**After having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the Offer Price is fair and reasonable from a financial point of view. Accordingly, we advise the Independent Directors to recommend that Shareholders accept the Offer.**

We note that on 22 September 2017, being the Offer Unconditional Date, the Offeror announced that it has received valid acceptances of the Offer in respect of more than 50% of the voting rights attributable to the maximum potential issued shares in the capital of CWT. Accordingly, the Offer has become unconditional as to acceptances and has been declared unconditional in all respects.

Shareholders may wish to sell their Shares in the open market if they are able to obtain a price higher than the Offer Price, net of related expenses (such as brokerage and trading costs). In this regard, we note that Shares have not traded above the Offer Price subsequent to the announcement of the Offer and since the Unaffected Date.

We also advise the Independent Directors to consider highlighting to the Shareholders that there is no assurance that the price of the Shares will remain at current levels after the close of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares.

The Independent Directors should note that we have arrived at our recommendation based on information made available to us prior to, and including, the Latest Practicable Date. Our advice on the Offer cannot and does not take into account any subsequent developments after the Latest Practicable Date, including future trading activity or price levels of the Shares, as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Offer.

This letter is addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the Offer. The recommendations made by the Independent Directors to the Shareholders in respect of the Offer shall remain their responsibility. A copy of this letter may be reproduced in 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 purpose other than in relation to the Offer and the Management Retention Arrangements at any time and in any manner without the our prior written consent in each specific case.

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

Yours faithfully  
For and on behalf of  
**Ernst & Young Corporate Finance Pte Ltd**

Luke Pais  
Managing Director

Elisa Montano  
Director

## ADDITIONAL GENERAL INFORMATION

### 1. DIRECTORS

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

Name	Address	Designation
Mr Loi Kai Meng	c/o 38 Tanjong Penjuru CWT Logistics Hub 1 Singapore 609039	Non-Executive Director and Chairman
Mr Liao Chung Lik	c/o 38 Tanjong Penjuru CWT Logistics Hub 1 Singapore 609039	Non-Executive Director
Mr Loi Pok Yen	c/o 38 Tanjong Penjuru CWT Logistics Hub 1 Singapore 609039	Executive Director and Group Chief Executive Officer
Dr Tan Wee Liang	c/o 38 Tanjong Penjuru CWT Logistics Hub 1 Singapore 609039	Lead Independent and Non-Executive Director
Mr Jimmy Yim Wing Kuen	c/o 38 Tanjong Penjuru CWT Logistics Hub 1 Singapore 609039	Independent Non-Executive Director
Dr Hu Jian Ping	c/o 38 Tanjong Penjuru CWT Logistics Hub 1 Singapore 609039	Independent Non-Executive Director

### 2. DESCRIPTION OF THE COMPANY

The Company was incorporated in Singapore on 25 June 1970 as a private arm of the Port of Singapore Authority to provide warehousing and container trucking services in support of the onset of container terminal operations. The CWT Shares have been quoted and traded on the Mainboard of the SGX-ST since 12 April 1993.

The principal activities of the Company are those relating to the provision of warehousing and logistics services, transportation services and investment holding. The principal activities of the CWT Group are those relating to the provision of warehousing and logistics services, transportation services, import and export services, cargo consolidation and freight forwarding services, container depot operations, commodity marketing, inventory management services, engineering services, design-and-build of logistics facilities and financial services.

The CWT Group has four (4) operating business segments: (a) logistics services, (b) commodity marketing, (c) financial services and (d) engineering services. The CWT Group operates in more than 90 countries through its regional offices and network of service partners. Its logistics services and commodity marketing segments are managed on a worldwide basis and operate principally in Singapore, China, other parts of Asia Pacific, Europe, Africa and South America. Its financial services segment operates mainly in China, Singapore and North America. Its engineering services segment operates primarily in Singapore.

### **3. SHARE CAPITAL**

#### **3.1 Issued Share Capital**

The issued and paid-up share capital of the Company as at the Latest Practicable Date is S\$174,338,331, comprising 600,304,650 CWT Shares.

#### **3.2 Capital, Dividends and Voting Rights**

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. An extract of the relevant provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting has been reproduced in Appendix VII to this Circular. The Constitution is available for inspection at the registered address of the Company at 38 Tanjong Penjuru, CWT Logistics Hub 1, Singapore 609039. Capitalised terms and expressions not defined in the extract have the meanings ascribed to them in the Constitution.

#### **3.3 Number of CWT Shares Issued since the End of the Last Financial Year**

As at the Latest Practicable Date, the Company has not issued any new CWT Shares since the end of FY2016, being the last financial year of the Company.

#### **3.4 Options and Convertible Instruments**

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

### **4. DISCLOSURE OF INTERESTS**

#### **4.1 Interests of the Company in Offeror Securities**

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

#### **4.2 Dealings in Offeror Securities by the Company**

As at the Latest Practicable Date, the Company has not dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Potential Transaction Announcement Date.

#### **4.3 Interests of the Directors in Offeror Securities**

None of the Directors has any direct or deemed interests 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 three (3) months prior to the Potential Transaction Announcement Date and ending on the Latest Practicable Date.



#### 4.5 Interests of the Directors in Company Securities

As at the Formal Offer Announcement Date, none of the Directors has any direct or deemed interest in any Company Securities save as disclosed below:

Name	Direct Interest		Deemed Interest	
	No. of CWT Shares	% <sup>(1)</sup>	No. of CWT Shares	% <sup>(1)</sup>
Mr Loi Kai Meng	70,000,000 <sup>(2)</sup>	11.66%	39,306,900 <sup>(3)</sup>	6.55%
Mr Liao Chung Lik	16,301,000 <sup>(4)</sup>	2.72%	19,581,000 <sup>(5)</sup>	3.26%
Mr Loi Pok Yen	16,000,000	2.67%	53,456,900 <sup>(6)</sup>	8.90%
Mr Jimmy Yim Wing Kuen	1,089,000	0.18%	–	–

**Notes:**

- (1) Based on the total number of issued CWT Shares being 600,304,650 as at the Latest Practicable Date.
- (2) Mr Loi Kai Meng is the legal and beneficial owner of 39,440,000 CWT Shares and is also the beneficial owner of 30,560,000 CWT Shares registered in the name of DBS Nominees (Private) Ltd.
- (3) Mr Loi Kai Meng is deemed to be interested in 37,356,900 CWT Shares which are held by Loi Kai Meng (Pte) Limited. He is also deemed to be interested in 1,950,000 CWT Shares which are held by his spouse, Mdm Lim Lay Khia @ Lim Lay Choo.
- (4) Mr Liao Chung Lik is the beneficial owner of 16,301,000 CWT Shares registered in the name of Raffles Nominees (Pte) Ltd.
- (5) Mr Liao Chung Lik is deemed to be interested in 19,581,000 CWT Shares which are held by Stanley Liao Private Limited.
- (6) Mr Loi Pok Yen is deemed to be interested in 15,000,000 CWT Shares which are held by Penjuru Capital Pte. Ltd. and 37,356,900 CWT Shares which are held by Loi Kai Meng (Pte) Limited. He is also deemed to be interested in 1,100,000 CWT Shares which are held by his spouse, Mdm Tong Siow Oon Sylvia.

As at the Latest Practicable Date, all of the CWT Shares in which each of Mr Loi Kai Meng, Mr Loi Pok Yen, Mr Liao Chung Lik and Mr Jimmy Yim Wing Kuen has direct or deemed interests have been tendered in acceptance of the Offer. Accordingly, following such acceptances of the Offer, none of the Directors have any direct or deemed interests in any Company Securities as at the Latest Practicable Date.

#### 4.6 Dealings in Company Securities by the Directors

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

#### 4.7 Company Securities owned or controlled by EYCF

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

#### 4.8 Dealings in Company Securities by EYCF

During the period commencing three (3) months prior to the Potential Transaction Announcement Date and ending on the Latest Practicable Date, none of EYCF or any funds whose investments are managed by EYCF on a discretionary basis has dealt for value in the Company Securities.

#### **4.9 Intentions of the Directors in respect of their CWT Shares**

As at the Latest Practicable Date:

- (a) Mr Loi Kai Meng, Mr Liao Chung Lik and Mr Loi Pok Yen have each accepted the Offer in respect of all of the CWT Shares held by each of them in accordance with the terms of their respective Vendor Undertakings provided by each of them to the Offeror; and
- (b) Mr Jimmy Yim Wing Kuen has accepted the Offer in respect of all of the CWT Shares held by him.

#### **5. OTHER DISCLOSURES**

##### **5.1 Directors' Service Contracts**

As stated in section 8.1.2 of the Letter to Shareholders in the Offer Document, in order to ensure continuity in the management, business and operations of the CWT Group, the Offeror intends to implement Management Retention Arrangements that will come into effect upon the Offer turning unconditional.

In connection with the Management Retention Arrangements, Mr Loi Pok Yen will agree to a fixed employment term of three (3) years. In return for such agreement, Mr Loi Pok Yen will be paid a yearly remuneration package that comprises a monthly salary and a variable annual bonus. The variable bonus will be linked to a percentage of the operating earnings before interest, tax, depreciation and amortization of the CWT Group. In addition, upon the completion of three (3) years' service, Mr Loi Pok Yen will be paid an additional retention bonus equal to the average bonus of the said three (3)-year period.

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

- (a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Potential Transaction Announcement Date and ending on the Latest Practicable Date.

## **5.2 Arrangements affecting Directors**

The Company has been informed by C & P Holdings that pursuant to an agreement between C & P Holdings and its shareholders, it was agreed that, subject to the consummation of the sale of all the CWT Shares held by C & P Holdings and the receipt of all of the proceeds pursuant to such sale by C & P Holdings, C & P Holdings will pay a one-time bonus of S\$40 million to Mr Loi Pok Yen, who is also a director of C & P Holdings, as recognition for his efforts and performance in facilitating a strategic review of C & P Holdings' business and assets, including a sale of all of the CWT Shares held by C & P Holdings and its shareholders.

Save for the above and the Management Retention Arrangements, as at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;
- (b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

## **6. MATERIAL CONTRACTS WITH INTERESTED PERSONS**

As at the Latest Practicable Date, save as disclosed in publicly available information on the CWT Group, 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 Potential Transaction Announcement Date.

## **7. MATERIAL LITIGATION**

As at the Latest Practicable Date, save as disclosed in publicly available information on the CWT Group, 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 CWT Group, taken as a whole.

## 8. FINANCIAL INFORMATION

### 8.1 Consolidated Income Statements

Certain financial information extracted from the audited consolidated income statements of the CWT Group for the last three (3) financial years (FY2016, FY2015 and FY2014) and the 1H2017 Results are summarised below. The summary set out below should be read together with the annual reports, the audited consolidated income statements of the CWT Group for the relevant financial periods, the 1H2017 Results and their respective accompanying notes.

	<b>Unaudited 1H2017</b>	<b>Audited FY2016</b>	<b>Audited FY2015</b>	<b>Audited FY2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Revenue	5,192,226	9,251,854	9,931,619	14,194,352
Cost of sales	(5,024,659)	(8,931,045)	(9,595,421)	(13,863,549)
<b>Gross profit</b>	167,567	320,809	336,198	330,803
Other income	3,800	11,872	13,297	6,795
Administrative expenses	(84,633)	(191,498)	(184,067)	(168,077)
Other operating expenses	(5,763)	(11,870)	(25,899)	(12,740)
<b>Profit from operations</b>	80,971	129,313	139,529	156,781
Finance income	36,812	19,585	29,013	24,101
Finance expenses	(25,000)	(56,335)	(50,970)	(61,244)
<b>Net finance income/(expenses)</b>	11,812	(36,750)	(21,957)	(37,143)
Share of profit of associates and joint ventures, net of tax	3,833	12,238	14,148	12,010
<b>Profit before income tax</b>	96,616	104,801	131,720	131,648
Income tax expense	(14,597)	(25,781)	(17,801)	(17,787)
<b>Profit after taxation</b>	82,019	79,020	113,919	113,861
<b>Profit attributable to:</b>				
Owners of the Company	80,161	73,559	108,911	112,411
Non-controlling interests	1,858	5,461	5,008	1,450
<b>Profit after taxation</b>	82,019	79,020	113,919	113,861
<b>Earnings per share (cents)</b>				
Basic and diluted	13.35	12.25	18.14	18.73
Profit for the period/year	82,019	79,020	113,919	113,861
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Defined benefit plan remeasurements	–	3,701	396	(5,113)
Tax on other comprehensive income	–	(341)	(44)	493
	–	3,360	352	(4,620)

	Unaudited 1H2017	Audited FY2016	Audited FY2015	Audited FY2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Items that are or may be reclassified subsequently to profit or loss:</b>				
Foreign currency translation differences relating to foreign operations	(18,376)	1,154	23,936	13,379
Foreign currency translation differences reclassified to profit or loss on settlement of quasi-equity loans	–	(5,214)	–	–
Foreign currency translation differences reclassified to profit or loss on disposal of subsidiaries	569	–	71	888
Net change in fair value of available-for-sale financial assets	22,704	388	(10,279)	3,749
Net change in fair value of available-for-sale financial assets reclassified to profit or loss upon disposals	(23,052)	–	(7,493)	(1,778)
Effective portion of changes in fair value of cash flow hedges	229	454	601	394
Share of other comprehensive income of associates and joint ventures	(2,822)	(1,294)	(69)	1,557
Tax on other comprehensive income	720	(695)	176	(201)
	(20,028)	(5,207)	6,943	17,988
<b>Other comprehensive income for the period/year, net of income tax</b>	(20,028)	(1,847)	7,295	13,368
<b>Total comprehensive income for the period/year</b>	61,991	77,173	121,214	127,229
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	60,341	72,832	116,500	126,542
Non-controlling interests	1,650	4,341	4,714	687
<b>Total comprehensive income for the period/year</b>	61,991	77,173	121,214	127,229
<b>Net Dividends per Share (cents)</b>	–	3.0	9.0	4.0

**Notes:**

- (1) Other operating expenses for FY2015 include a net loss of S\$8,800,000 relating to assets destroyed in the Tianjin blasts on 12 August 2015, offset against estimated insurance claims.
- (2) Administrative expenses for FY2015 and FY2016 include S\$4,275,000 and S\$21,800,000 respectively arising from an on-going project of which S\$13,000,000 has not been paid as at 21 December 2016.

## 8.2 Consolidated Statements of Financial Position

The audited consolidated statement of financial position of the CWT Group for FY2016 and the unaudited consolidated statement of financial position of the CWT Group for 1H2017 are summarised below. The summary set out below should be read together with the annual report of the CWT Group for FY2016, the 1H2017 Results and their respective accompanying notes.

	Unaudited as at 1H2017	Audited as at FY2016
	S\$'000	S\$'000
<b>Non-current assets</b>		
Property, plant and equipment	759,345	744,218
Intangible assets	114,663	119,662
Investment property	571	574
Associates	29,057	28,656
Joint ventures	29,366	31,278
Financial assets	33,900	95,224
Non-current receivables	12,655	15,232
Deferred tax assets	4,514	4,084
Other non-current assets	5,554	5,833
<b>Total non-current assets</b>	<b>989,625</b>	<b>1,044,761</b>
<b>Current assets</b>		
Inventories	432,328	605,004
Trade and other receivables	1,880,612	2,545,548
Warrantable LME commodities	42,268	550,370
Financial assets	110,179	217,053
Derivative financial instruments	49,482	112,793
Tax recoverable	1,913	1,634
Cash and cash equivalents	273,477	334,376
	2,790,259	4,366,778
Assets held for sale	–	930
<b>Total current assets</b>	<b>2,790,259</b>	<b>4,367,708</b>
<b>Total assets</b>	<b>3,779,884</b>	<b>5,412,469</b>

	Unaudited as at 1H2017	Audited as at FY2016
	S\$'000	S\$'000
<b>Equity attributable to owners of the company</b>		
Share capital	174,338	174,338
Reserves	734,349	699,903
	908,687	874,241
<b>Non-controlling interests</b>	16,986	29,803
<b>Total equity</b>	925,673	904,044
<b>Non-current liabilities</b>		
Trade and other payables	3,780	4,300
Loans and borrowings	454,860	366,505
Derivative financial instruments	115	137
Employee benefits	15,697	15,261
Deferred tax liabilities	20,048	19,567
Deferred gains	4,203	6,416
<b>Total non-current liabilities</b>	498,703	412,186
<b>Current liabilities</b>		
Trade and other payables	1,640,595	2,383,029
Loans and borrowings	597,604	1,504,910
Derivative financial instruments	90,611	172,607
Current tax payable	20,202	25,371
Deferred gains	3,391	7,344
Provisions	3,105	2,978
<b>Total current liabilities</b>	2,355,508	4,096,239
<b>Total liabilities</b>	2,854,211	4,508,425
<b>Total liabilities and equity</b>	3,779,884	5,412,469

### 8.3 Significant Accounting Policies

A summary of the significant accounting policies of the CWT Group is set out in the notes to the audited consolidated financial statements of the CWT Group for FY2016 and the 1H2017 Results. Copies of the above are available for inspection at the registered address of the Company at 38 Tanjong Penjuru, CWT Logistics Hub 1, Singapore 609039 during normal business hours for the period during which the Offer remains open for acceptance.

Save as disclosed in this Circular and in publicly available information on the CWT Group, there are no significant accounting policies or any matters from the notes of the financial statements of the CWT Group which are of any major relevance for the interpretation of the financial statements of the CWT Group.

#### **8.4 Changes in Accounting Policies**

Save as disclosed in this Circular and in publicly available information on the CWT Group, as at the Latest Practicable Date, there is no change in the accounting policy of the CWT Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

Copies of the annual report of the Company for FY2016 and the 1H2017 Results are available on the SGX-ST website at [www.sgx.com](http://www.sgx.com) or for inspection at the registered address of the Company at 38 Tanjong Penjuru, CWT Logistics Hub 1, Singapore 609039 during normal office hours for the period during which the Offer remains open for acceptance.

#### **8.5 Material Changes in Financial Position**

Save as disclosed in publicly available information on the CWT Group (including but not limited to the Company's announcement on the 1H2017 Results), as at the Latest Practicable Date, there has been no known material change in the financial position of the CWT Group since 31 December 2016, being the date of the Company's last published audited consolidated financial statements.

#### **8.6 Material Change in Information**

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

#### **8.7 Valuation of the Properties**

The Company has commissioned an independent valuation of the CWT Group's major properties in Singapore (the "**Properties**"), comprising more than 85% of the total book value of all properties owned by the CWT Group as of 31 December 2016. The Valuation Reports (which include the basis of the valuation) are set out in Appendix VI to this Circular. Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the Properties, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of valuation. Based on information provided to the Company by the Valuer, the potential tax liabilities that may be incurred by the Company on the hypothetical disposal of the Properties on an "as is" basis is approximately S\$40,263,000.

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



## **9. GENERAL**

### **9.1 Costs and Expenses**

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

### **9.2 Consent of EYCF**

EYCF has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, its advice to the Independent Directors set out in section 9.2 of this Circular, the IFA Letter set out in Appendix I to this Circular, its letter in relation to the 1H2017 Results set out in Appendix V to this Circular and all references thereto, in the form and context in which they appear in this Circular.

### **9.3 Consent of the Auditors**

The auditors of the Company, KPMG LLP, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, its report on the 1H2017 Results in accordance with the Code set out in Appendix IV to this Circular and all references thereto, in the form and context in which they appear in this Circular.

### **9.4 Consent of the Valuer**

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

## **10. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the registered address of the Company at 38 Tanjong Penjuru, CWT Logistics Hub 1, Singapore 609039 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution of the Company;
- (b) the annual reports of the Company for FY2014, FY2015 and FY2016;
- (c) the 1H2017 Results;
- (d) the IFA Letter;
- (e) the Valuation Reports; and
- (f) the letters of consent referred to in sections 9.2, 9.3 and 9.4 of Appendix II to this Circular.

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
OF THE CWT GROUP FOR 1H2017**



(Company Registration No.: 197000498M)

**Unaudited Financial Statement for the Second Quarter and Half Year  
Ended 30/6/2017**

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),  
HALF YEAR AND FULL YEAR RESULTS**

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

**1(a)(i) CONSOLIDATED INCOME STATEMENT**  
For the three months and half year ended 30 June

	Three months ended 30 June			Half year ended 30 June		
	2017	2016	%	2017	2016	%
	S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
Revenue	2,586,060	2,366,495	9	5,192,226	4,242,016	22
Cost of sales	(2,501,036)	(2,299,397)	9	(5,024,659)	(4,091,300)	23
<b>Gross profit</b>	<b>85,024</b>	<b>67,098</b>	<b>27</b>	<b>167,567</b>	<b>150,716</b>	<b>11</b>
Other income	1,705	2,239	(24)	3,800	6,398	(41)
Administrative expenses	(43,438)	(42,889)	1	(84,633)	(85,845)	(1)
Other operating expenses	(1,882)	(3,223)	(42)	(5,763)	(6,403)	(10)
<b>Profit from operations</b>	<b>41,409</b>	<b>23,225</b>	<b>78</b>	<b>80,971</b>	<b>64,866</b>	<b>25</b>
Finance income	28,943	8,438	243	36,812	11,786	212
Finance expenses	(11,912)	(15,908)	(25)	(25,000)	(29,184)	(14)
<b>Net finance income/(expenses)</b>	<b>17,031</b>	<b>(7,470)</b>	<b>N.M.</b>	<b>11,812</b>	<b>(17,398)</b>	<b>N.M.</b>
Share of profit of joint ventures, net of tax	938	1,283	(27)	2,144	2,659	(19)
Share of profit of associates, net of tax	790	1,138	(31)	1,689	2,185	(23)
<b>Profit before income tax</b>	<b>60,168</b>	<b>18,176</b>	<b>231</b>	<b>96,616</b>	<b>52,312</b>	<b>85</b>
Income tax expense	(9,841)	(3,184)	209	(14,597)	(12,243)	19
<b>Profit after taxation</b>	<b>50,327</b>	<b>14,992</b>	<b>236</b>	<b>82,019</b>	<b>40,069</b>	<b>105</b>
<b>Attributable to:</b>						
Owners of the Company	49,948	13,653	266	80,161	37,343	115
Non-controlling interests	379	1,339	(72)	1,858	2,726	(32)
<b>Net profit attributable to shareholders</b>	<b>50,327</b>	<b>14,992</b>	<b>236</b>	<b>82,019</b>	<b>40,069</b>	<b>105</b>

**1(a)(ii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the three months and half year ended 30 June

	GROUP			GROUP		
	2Q 2017 S\$'000	2Q 2016 S\$'000	+/(-) %	YTD Jun 2017 S\$'000	YTD Jun 2016 S\$'000	+/(-) %
Profit for the period	50,327	14,992	236	82,019	40,069	105
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation differences relating to foreign operations	(1,165)	(4,172)	(72)	(18,376)	(29,518)	(38)
Foreign currency translation differences reclassified to profit or loss on disposal of subsidiary	95	-	N.M.	569	-	N.M.
Net changes in fair value of available-for-sale financial assets	20,307	1,587	N.M.	22,704	154	N.M.
Net changes in fair value of available-for-sale financial assets reclassified to profit or loss upon disposals	(23,052)	-	N.M.	(23,052)	-	N.M.
Effective portion of changes in fair value of cash flow hedges	11	97	(89)	229	187	22
Share of other comprehensive income of associates and joint ventures	(862)	(457)	89	(2,822)	(2,796)	1
Tax on other comprehensive income	907	(88)	N.M.	720	(253)	N.M.
<b>Other comprehensive income for the period, net of income tax</b>	<b>(3,759)</b>	<b>(3,033)</b>	<b>24</b>	<b>(20,028)</b>	<b>(32,226)</b>	<b>(38)</b>
<b>Total comprehensive income for the period</b>	<b>46,568</b>	<b>11,959</b>	<b>289</b>	<b>61,991</b>	<b>7,843</b>	<b>N.M.</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	45,945	11,114	N.M.	60,341	6,386	N.M.
Non-controlling interests	623	845	(26)	1,650	1,457	13
<b>Total comprehensive income for the period</b>	<b>46,568</b>	<b>11,959</b>	<b>289</b>	<b>61,991</b>	<b>7,843</b>	<b>N.M.</b>

	Company			Company		
	2Q 2017 S\$'000	2Q 2016 S\$'000	+/(-) %	YTD Jun 2017 S\$'000	YTD Jun 2016 S\$'000	+/(-) %
(Loss)/Profit for the period	(1,159)	8,430	N.M.	4,326	51,442	(92)
<b>Other comprehensive income</b>						
<b>Items that are or may be reclassified subsequently to profit or loss:</b>						
Net changes in fair value of available-for-sale financial assets	2,590	554	N.M.	3,885	(1,851)	N.M.
<b>Other comprehensive income for the period, net of income tax</b>	<b>2,590</b>	<b>554</b>	<b>N.M.</b>	<b>3,885</b>	<b>(1,851)</b>	<b>N.M.</b>
<b>Total comprehensive income for the period</b>	<b>1,431</b>	<b>8,984</b>	<b>(84)</b>	<b>8,211</b>	<b>49,591</b>	<b>(83)</b>

### 1(a)(iii) Notes to Income Statement

a) Additional disclosures

	Three months ended 30 June			Half year ended 30 June		
	2017 S\$'000	2016 S\$'000	% Change	2017 S\$'000	2016 S\$'000	% Change
Interest income	3,609	4,132	(13)	6,917	7,096	(3)
Interest expense	(7,867)	(10,137)	(22)	(16,295)	(19,288)	(16)
Gain on disposal of financial assets	23,052	-	N.M.	23,052	-	N.M.
Foreign exchange gain/(loss) (net)	1,612	(1,714)	N.M.	5,489	(2,941)	N.M.
Gain/(Loss) on disposal of property, plant and equipment and intangible assets	102	(316)	N.M.	161	(314)	N.M.
Translation loss realised on liquidation of subsidiaries	(95)	-	N.M.	(569)	-	N.M.
Amortisation of deferred gain	2,776	3,049	(9)	6,207	6,098	2
Impairment losses on property, plant and equipment	-	-	N.M.	(2,037)	-	N.M.
Impairment losses on loans and receivables, and prepayments	(3,317)	(5,443)	(39)	(4,417)	(5,487)	(20)
Bad debts written-off	(1)	(6)	(83)	(7)	(33)	(79)
Depreciation and amortisation	(12,101)	(11,983)	1	(22,790)	(23,860)	(4)
Over provision of tax in respect of prior years	212	427	(50)	200	561	(64)
Inventories written-off	(2)	(21)	(90)	(144)	(21)	N.M.

- b) The **Other income** decreased in 1H2017 mainly due to lower government grants received.
- c) The **Other operating expenses** for 1H2017 included a S\$2.0m impairment losses on assets in Serbia offset by a decrease in amortisation of intangible assets.
- d) **Finance income** in 1H2017 included S\$5.0m mark-to-market gain on foreign currency hedges recognised in 1Q2017 and S\$23.1m gain realised in 2Q2017 in connection with a construction project.
- e) **Income tax expense** for 1H2016 included S\$4.2m withholding tax expenses incurred for dividend declared by an overseas subsidiary in 1Q2016. Excluding the withholding tax expense, the income tax increase was in line with earnings growth in 1H2017.
- f) **Impairment losses on loans and receivables, and prepayments** relates mainly to impairment of amount receivable from suppliers under the Commodity Marketing business.

**Note:**

**N.M.:** Not meaningful

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

1(b)(i) STATEMENTS OF FINANCIAL POSITION

	Note	<u>Group</u>		<u>Company</u>	
		30 Jun	31 Dec	30 Jun	31 Dec
		2017	2016	2017	2016
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	a	759,345	744,218	379,841	359,134
Intangible assets		114,663	119,662	179	283
Investment properties		571	574	-	-
Subsidiaries		-	-	430,811	411,642
Associates	b	29,057	28,656	200	200
Joint ventures	b	29,366	31,278	4,116	4,116
Financial assets	c	33,900	95,224	33,857	29,972
Non-current receivables		12,655	15,232	80,601	95,242
Deferred tax assets		4,514	4,084	-	-
Other non-current assets		5,554	5,833	-	-
		<u>989,625</u>	<u>1,044,761</u>	<u>929,605</u>	<u>900,589</u>
<b>Current assets</b>					
Inventories		432,328	605,004	518	1,085
Trade and other receivables	d	1,880,612	2,545,548	120,483	126,290
Warrantable LME commodities	e	42,268	550,370	-	-
Financial assets	f	110,179	217,053	-	-
Derivative financial instruments	g	49,482	112,793	545	809
Tax recoverable		1,913	1,634	-	-
Cash and cash equivalents		273,477	334,376	21,860	25,120
		<u>2,790,259</u>	<u>4,366,778</u>	<u>143,406</u>	<u>153,304</u>
Assets held for sale		-	930	-	-
		<u>2,790,259</u>	<u>4,367,708</u>	<u>143,406</u>	<u>153,304</u>
<b>Total assets</b>		<u>3,779,884</u>	<u>5,412,469</u>	<u>1,073,011</u>	<u>1,053,893</u>
<b>Equity attributable to owners of the Company</b>					
Share capital		174,338	174,338	174,338	174,338
Reserves		734,349	699,903	184,748	194,546
		<u>908,687</u>	<u>874,241</u>	<u>359,086</u>	<u>368,884</u>
<b>Non-controlling interests</b>		16,986	29,803	-	-
<b>Total equity</b>		<u>925,673</u>	<u>904,044</u>	<u>359,086</u>	<u>368,884</u>
<b>Non-current liabilities</b>					
Trade and other payables		3,780	4,300	-	-
Loans and borrowings	h	454,860	366,505	377,867	288,810
Derivative financial instruments		115	137	-	-
Employee benefits		15,697	15,261	-	-
Deferred tax liabilities		20,048	19,567	-	-
Deferred gains	i	4,203	6,416	4,203	6,416
		<u>498,703</u>	<u>412,186</u>	<u>382,070</u>	<u>295,226</u>
<b>Current liabilities</b>					
Trade and other payables	j	1,640,595	2,383,029	302,245	266,790
Loans and borrowings	h	597,604	1,504,910	23,101	112,055
Derivative financial instruments	g	90,611	172,607	379	1,092
Current tax payable		20,202	25,371	-	-
Deferred gains	i	3,391	7,344	3,391	7,344
Provisions		3,105	2,978	2,739	2,502
		<u>2,355,508</u>	<u>4,096,239</u>	<u>331,855</u>	<u>389,783</u>
<b>Total liabilities</b>		<u>2,854,211</u>	<u>4,508,425</u>	<u>713,925</u>	<u>685,009</u>
<b>Total equity and liabilities</b>		<u>3,779,884</u>	<u>5,412,469</u>	<u>1,073,011</u>	<u>1,053,893</u>

## Notes to Statements of Financial Position

- a) **Property, plant and equipment** increased mainly due to the capital work in progress of the new mega integrated logistics hub.
- b) **Associates and Joint ventures** decreased consequent to dividend upstreamed in 1H2017.
- c) **Financial assets (non-current)** as at 30 June 2017 comprise investment in REIT units. The decrease in 1H2017 was mainly due to the redemption of the convertible bonds received from a customer for a construction project.

- d) **Trade and other receivables** are comprised of:

	30/06/2017	31/12/2016
	S\$'M	S\$'M
Trade receivables	695	1,055
Accrued income	91	132
Customer segregated funds	759	864
Deposits	66	72
Other receivables	270	423
	<u>1,881</u>	<u>2,546</u>

- e) **Warrantable LME commodities** comprise mainly highly liquid LME commodities held for trade services. The drop was mainly due to reduced activities in structured trade services in 1H2017.
- f) **Financial assets (current)** as at 30 June 2017 comprise mainly customer segregated funds in the form of treasury securities mainly pledged as margin deposit with a futures exchange/brokers.
- g) **Derivative financial instruments** relate to commodity marketing and financial services activities and consisted of instruments such as commodity futures/options/forward contracts which are taken up to hedge certain commodity price risks. All realised and unrealised gains and losses arising from the fair valuation of derivative financial instruments are included in profit or loss in the period in which they arise. The movements in derivative assets and liabilities reflect the movements in the underlying commodities' prices.
- h) **Loans and borrowings**
- The current portion comprises S\$564m collateralised short-term trade facilities utilised for commodity marketing and financial services activities.
  - The balance current portion and the non-current portion totalling S\$488m comprise S\$200m medium term notes, loans and credit facilities taken to fund logistics projects and general working capital purposes.
- i) **Deferred gains** relate to the excess of sales proceeds over the fair values of the leasehold buildings disposed of under sale and leaseback arrangements and risk premium attributed to build and lease projects. The deferred gains are amortised on a straight line basis over the respective lease periods.

- j) **Trade and other payables (current)** are comprised of:

	30/06/2017	31/12/2016
	S\$'M	S\$'M
Trade payables	312	651
Accrued expense	215	353
Customer segregated funds	869	1,081
Bill payables (secured)	65	67
Other payables	180	231
	<u>1,641</u>	<u>2,383</u>

- k) As at end of June 2017, the Company's **Current liabilities** were higher than **Current assets** by S\$188m mainly due to an intra-group cash pooling arrangement whereby surplus cash balances totaling S\$222m were swept from subsidiaries to the Company for deployment.

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

**Amount repayable in one year or less, or on demand**

As at 30/06/2017		As at 31/12/2016	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
592,491	5,113	1,403,448	101,462

**Amount repayable after one year**

As at 30/06/2017		As at 31/12/2016	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
253,500	201,360	165,274	201,231

Group's borrowings and debt securities exclude bills payable secured by financial assets for its structured trade services.

**Details of any collateral**

The Group's secured borrowings are primarily secured by designated leasehold properties or projects under construction for its project financing and pledges of trade receivables and/or inventories for its trade financing activities.

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

1(c) **CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the three months and half year ended 30 June**

	Three months ended 30 June		Half year ended 30 June	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	60,168	18,176	96,616	52,312
Adjustments for:				
Interest expense	7,867	10,137	16,295	19,288
Interest income	(3,609)	(4,132)	(6,917)	(7,096)
Dividend income from financial assets	(669)	(814)	(1,354)	(1,284)
Depreciation of property, plant and equipment	10,802	9,442	20,192	18,715
Net (gain)/loss on disposal or liquidation of:				
- Available-for-sale financial assets	(23,052)	-	(23,052)	-
- Property, plant and equipment and intangible assets	(102)	316	(161)	314
Translation loss realised on liquidation of a subsidiary	95	-	569	-
Share of profit of associates and joint ventures	(1,728)	(2,421)	(3,833)	(4,844)
Amortisation of:				
- Intangible assets	1,299	2,541	2,598	5,145
- Deferred gain	(2,776)	(3,049)	(6,207)	(6,098)
Impairment losses on:				
- Property, plant and equipment	-	-	2,037	-
- Loans and receivables, and prepayments	3,317	5,443	4,417	5,487
Employee benefits expense net payments	66	222	689	559
Provisions	(120)	(2,844)	129	(2,678)
Operating profit before working capital changes	51,558	33,017	102,018	79,820
Changes in working capital:				
Inventories <sup>1</sup>	(52,410)	(44,686)	146,350	(145,597)
Trade and other receivables <sup>1</sup>	154,303	(611,212)	566,652	(180,155)
Trade and other payables <sup>1</sup>	(188,206)	483,095	(645,433)	99,960
Derivative financial instruments <sup>1</sup>	(19,249)	56,733	(15,634)	111,852
Warrantable LME commodities <sup>1</sup>	(39,455)	(222,653)	489,153	(148,102)
Cash (used in)/from operations	(93,459)	(305,706)	643,106	(182,222)
Income taxes paid	(7,307)	(10,093)	(21,956)	(14,641)
<b>Net cash (used in)/from operating activities</b>	<b>(100,766)</b>	<b>(315,799)</b>	<b>621,150</b>	<b>(196,863)</b>
<b>Cash flows from investing activities</b>				
Interest received	3,471	4,290	6,811	6,418
Dividends received from:				
- Associates and joint ventures	1,500	4,734	2,521	8,271
- Financial assets	669	815	1,354	1,284
Purchases of:				
- Property, plant and equipment	(25,590)	(59,163)	(31,619)	(79,608)
- Intangible assets	(78)	(1)	(89)	(23)
- Financial assets	-	-	(55,845)	-



1(c) **CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the three months and half year ended 30 June**

	Three months ended 30 June		Half year ended 30 June	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
<b>Cash flows from investing activities (continued)</b>				
Investment in exploration and evaluation assets	(1)	(168)	(25)	(168)
Guarantee deposits with clearing corporation	1,360	408	822	709
Net proceeds from disposal of:				
- Property, plant and equipment	213	548	373	955
- Financial assets	166,600	-	236,455	-
Deferred consideration paid	-	-	(1,206)	(1,213)
Loans to non-controlling interests	(388)	-	(388)	-
Repayment of loans from joint ventures	-	216	-	265
Insurance claims received on property, plant and equipment	-	4,862	-	4,862
<b>Net cash from/(used in) investing activities</b>	<b>147,756</b>	<b>(43,459)</b>	<b>159,164</b>	<b>(58,248)</b>
<b>Cash flows from financing activities</b>				
Interest paid	(8,270)	(8,643)	(19,646)	(19,111)
Dividends paid:				
- Owners of the Company	(18,009)	-	(18,009)	(36,018)
- Non-controlling interests	(1,077)	(2,408)	(2,330)	(3,104)
Acquisition of non-controlling interests	(20,411)	(377)	(20,411)	(1,402)
Capital contributions from non-controlling interests	388	-	388	135
Repayment of hire purchase and finance lease obligations	(248)	(242)	(486)	(379)
Net repayment of loans from non-controlling interest	(21,199)	-	(919)	(333)
Net (repayment)/proceeds of short-term bank borrowings	(19,889)	325,612	(762,870)	426,364
Proceeds from long-term bank borrowings	21,275	51,216	152,478	51,216
Repayment of long-term bank borrowings	(49,508)	(3,860)	(52,978)	(135,977)
Repayment of loans from external parties	-	-	(4,191)	-
Repayment of notes payable	-	-	(100,000)	-
Changes in pledged cash balances and fixed deposits	(2,971)	11,972	(4,837)	(16,534)
<b>Net cash (used in)/from financing activities</b>	<b>(119,919)</b>	<b>373,270</b>	<b>(833,811)</b>	<b>264,857</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(72,929)</b>	<b>14,012</b>	<b>(53,497)</b>	<b>9,746</b>
Cash and cash equivalents at the beginning of the period	337,300	276,499	327,113	291,665
Effect of exchange rate fluctuations on balances held in foreign currencies	(3,910)	(1,807)	(13,155)	(12,707)
<b>Cash and cash equivalents at 30 June</b>	<b>260,461</b>	<b>288,704</b>	<b>260,461</b>	<b>288,704</b>

## Reconciliation of cash and cash equivalents

	As at 30 June	
	2017	2016
	S\$'000	S\$'000
Fixed deposits	54,170	112,159
Wealth management products	202	-
Cash and bank balances	219,105	212,311
Cash and cash equivalents in the statements of financial position	273,477	324,470
Less:		
Bank overdrafts	(1,651)	(988)
Bank balances and fixed deposits pledged and earmarked	(11,365)	(36,094)
	260,461	287,388
Cash and cash equivalents of assets held for sale	-	1,316
Cash and cash equivalents in the statement of cash flows	260,461	288,704

## Notes:

1. The changes in working capital relate mainly to Commodity Marketing and Financial Services businesses as follows:

	Three months ended 30 June		Half year ended 30 June	
	Cash inflow / (outflow)		Cash inflow / (outflow)	
	<u>Commodity marketing</u>	<u>Financial services</u>	<u>Commodity marketing</u>	<u>Financial services</u>
	S\$'M	S\$'M	S\$'M	S\$'M
(Increase)/Decrease in inventories	(52.5)	(0.6)	147.5	(0.6)
Decrease/(Increase) in trade and other receivables	124.7	(22.9)	238.4	271.6
(Decrease) in trade and other payables	(41.8)	(83.9)	(112.4)	(405.8)
(Increase)/Decrease in net derivative financial instruments	(22.7)	3.8	(51.5)	36.2
(Increase)/Decrease in warrantable LME commodities	-	(39.5)	-	489.2

The movement in working capital for Commodity Marketing business reflects the nature of the business whereby the cashflow movements at period end are dependent on the timing of the trade transactions and settlement. The commodity marketing transactions are largely funded by self-liquidating trade finance facilities.

The movements in working capital for Financial Services business relate partly to customer segregated funds and partly to trade services. The warrantable LME commodities are funded largely by collateralised finance facilities.

1(d) 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.

1(d)(i) **Statement Statement of Changes in Equity  
For the three months ended 30 June 2016**

Group	Share capital	Fair value reserve	Currency translation reserve	Hedging reserve	Capital reserve	Statutory reserve	Other reserve	Retained profits	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
<b>S\$'000</b>											
At 1 April 2016	174,338	(372)	(9,957)	(572)	(1,515)	2,538	(661)	634,187	797,986	28,360	826,346
Profit for the period	-	-	-	-	-	-	-	13,653	13,653	1,339	14,992
<b>Other comprehensive income</b>											
Exchange differences arising from translation of foreign operations	-	-	(3,645)	-	-	-	-	-	(3,645)	(527)	(4,172)
Fair value changes on available-for-sale financial assets	-	1,587	-	-	-	-	-	-	1,587	-	1,587
Effective portion of changes in fair value of cash flow hedges	-	-	-	64	-	-	-	-	64	33	97
Share of other comprehensive income of associates and joint ventures	-	-	(464)	12	-	(5)	-	-	(457)	-	(457)
Tax on other comprehensive income	-	(88)	-	-	-	-	-	-	(88)	-	(88)
<b>Total other comprehensive income</b>	-	1,499	(4,109)	76	-	(5)	-	-	(2,539)	(494)	(3,033)
<b>Total comprehensive income for the period</b>	-	1,499	(4,109)	76	-	(5)	-	13,653	11,114	845	11,959
<b>Contribution by and distributions to owner</b>											
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,408)	(2,408)
<b>Transfer of reserves</b>											
Transfer to statutory reserve in compliance with foreign entities' statutory requirements	-	-	-	-	-	35	-	(35)	-	-	-
<b>Changes in ownership interests in subsidiaries</b>											
Changes in non-controlling interests	-	-	-	-	(350)	-	-	-	(350)	(27)	(377)
<b>Total transactions with owners</b>	-	-	-	-	(350)	35	-	(35)	(350)	(2,435)	(2,785)
At 30 June 2016	174,338	1,127	(14,066)	(496)	(1,865)	2,568	(661)	647,805	808,750	26,770	835,520

**1(d)(i) Statement Statement of Changes in Equity  
For the three months ended 30 June 2017**

Group	Share capital	Fair value reserve	Currency translation reserve	Hedging reserve	Capital reserve	Statutory reserve	Other reserve	Retained profits	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
<b>S\$'000</b>											
At 1 April 2017	174,338	3,129	(5,447)	(129)	(2,740)	2,853	(661)	717,294	888,637	29,577	918,214
Profit for the period	-	-	-	-	-	-	-	49,948	49,948	379	50,327
<b>Other comprehensive income</b>											
Exchange differences arising from translation of foreign operations	-	-	(1,478)	-	-	-	-	-	(1,478)	313	(1,165)
Exchange differences reclassified to profit or loss on disposal of subsidiaries	-	-	95	-	-	-	-	-	95	-	95
Fair value changes on available-for-sale financial assets	-	20,307	-	-	-	-	-	-	20,307	-	20,307
Fair value changes on available-for-sale financial assets reclassified to profit or loss arising on disposals	-	(23,052)	-	-	-	-	-	-	(23,052)	-	(23,052)
Effective portion of changes in fair value of cash flow hedges	-	-	-	80	-	-	-	-	80	(69)	11
Share of other comprehensive income of associates and joint ventures	-	-	(884)	13	-	9	-	-	(862)	-	(862)
Tax on other comprehensive income	-	907	-	-	-	-	-	-	907	-	907
<b>Total other comprehensive income</b>	-	(1,838)	(2,267)	93	-	9	-	-	(4,003)	244	(3,759)
<b>Total comprehensive income for the period</b>	-	(1,838)	(2,267)	93	-	9	-	49,948	45,945	623	46,568
<b>Contribution by and distributions to owner</b>											
Dividend paid to equity holders	-	-	-	-	-	-	-	(18,009)	(18,009)	-	(18,009)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,077)	(1,077)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	388	388
<b>Total contribution by and distributions to owner</b>	-	-	-	-	-	-	-	(18,009)	(18,009)	(689)	(18,698)
<b>Transfer of reserves</b>											
Transfer to statutory reserve in compliance with foreign entities' statutory requirements	-	-	-	-	-	21	-	(21)	-	-	-
<b>Changes in ownership interests in subsidiaries</b>											
Changes in non-controlling interests	-	-	(1,282)	(124)	(6,480)	-	-	-	(7,886)	(12,525)	(20,411)
<b>Total transactions with owners</b>	-	-	(1,282)	(124)	(6,480)	21	-	(18,030)	(25,895)	(13,214)	(39,109)
At 30 June 2017	174,338	1,291	(8,996)	(160)	(9,220)	2,883	(661)	749,212	908,687	16,986	925,673

**1(d)(i) Statement Statement of Changes in Equity  
For the half year ended 30 June 2016**

Group	Share capital	Fair value reserve	Currency translation reserve	Hedging reserve	Capital reserve	Statutory reserve	Other reserve	Retained profits	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
<b>S\$'000</b>											
At 1 January 2016	174,338	1,226	16,954	(643)	(845)	1,581	(661)	647,452	839,402	28,664	868,066
Profit for the period	-	-	-	-	-	-	-	37,343	37,343	2,726	40,069
<b>Other comprehensive income</b>											
Exchange differences arising from translation of foreign operations	-	-	(28,186)	-	-	-	-	-	(28,186)	(1,332)	(29,518)
Fair value changes on available-for-sale financial assets	-	154	-	-	-	-	-	-	154	-	154
Effective portion of changes in fair value of cash flow hedges	-	-	-	124	-	-	-	-	124	63	187
Share of other comprehensive income of associates and joint ventures	-	-	(2,834)	23	-	15	-	-	(2,796)	-	(2,796)
Tax on other comprehensive income	-	(253)	-	-	-	-	-	-	(253)	-	(253)
<b>Total other comprehensive income</b>	-	(99)	(31,020)	147	-	15	-	-	(30,957)	(1,269)	(32,226)
<b>Total comprehensive income for the period</b>	-	(99)	(31,020)	147	-	15	-	37,343	6,386	1,457	7,843
<b>Contribution by and distributions to owner</b>											
Dividend paid to equity holders	-	-	-	-	-	-	-	(36,018)	(36,018)	-	(36,018)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(3,104)	(3,104)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	135	135
<b>Total contribution by and distributions to owner</b>	-	-	-	-	-	-	-	(36,018)	(36,018)	(2,969)	(38,987)
<b>Transfer of reserves</b>											
Transfer to statutory reserve in compliance with foreign entities' statutory requirements	-	-	-	-	-	972	-	(972)	-	-	-
<b>Changes in ownership interests in subsidiaries</b>											
Changes in non-controlling interests	-	-	-	-	(1,020)	-	-	-	(1,020)	(382)	(1,402)
<b>Total transactions with owners</b>	-	-	-	-	(1,020)	972	-	(36,990)	(37,038)	(3,351)	(40,389)
At 30 June 2016	174,338	1,127	(14,066)	(496)	(1,865)	2,568	(661)	647,805	808,750	26,770	835,520

**1(d)(i) Statement of Changes in Equity  
For the half year ended 30 June 2017**

Group	Share capital	Fair value reserve	Currency translation reserve	Hedging reserve	Capital reserve	Statutory reserve	Other reserve	Retained profits	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
<b>S\$'000</b>											
At 1 January 2017	174,338	919	12,741	(290)	(2,740)	2,845	(661)	687,089	874,241	29,803	904,044
Profit for the period	-	-	-	-	-	-	-	80,161	80,161	1,858	82,019
<b>Other comprehensive income</b>											
Exchange differences arising from translation of foreign operations	-	-	(18,168)	-	-	-	-	-	(18,168)	(208)	(18,376)
Exchange differences reclassified to profit or loss on disposal of subsidiaries	-	-	569	-	-	-	-	-	569	-	569
Fair value changes on available-for-sale financial assets	-	22,704	-	-	-	-	-	-	22,704	-	22,704
Fair value changes on available-for-sale financial assets reclassified to profit or loss arising on disposals	-	(23,052)	-	-	-	-	-	-	(23,052)	-	(23,052)
Effective portion of changes in fair value of cash flow hedges	-	-	-	229	-	-	-	-	229	-	229
Share of other comprehensive income of associates and joint ventures	-	-	(2,856)	25	-	9	-	-	(2,822)	-	(2,822)
Tax on other comprehensive income	-	720	-	-	-	-	-	-	720	-	720
<b>Total other comprehensive income</b>	-	372	(20,455)	254	-	9	-	-	(19,820)	(208)	(20,028)
<b>Total comprehensive income for the period</b>	-	372	(20,455)	254	-	9	-	80,161	60,341	1,650	61,991
<b>Contribution by and distributions to owner</b>											
Dividend paid to equity holders	-	-	-	-	-	-	-	(18,009)	(18,009)	-	(18,009)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,330)	(2,330)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	388	388
<b>Total contribution by and distributions to owner</b>	-	-	-	-	-	-	-	(18,009)	(18,009)	(1,942)	(19,951)
<b>Transfer of reserves</b>											
Transfer to statutory reserve in compliance with foreign entities' statutory requirements	-	-	-	-	-	29	-	(29)	-	-	-
<b>Changes in ownership interests in subsidiaries</b>											
Changes in non-controlling interests	-	-	(1,282)	(124)	(6,480)	-	-	-	(7,886)	(12,525)	(20,411)
<b>Total transactions with owners</b>	-	-	(1,282)	(124)	(6,480)	29	-	(18,038)	(25,895)	(14,467)	(40,362)
At 30 June 2017	174,338	1,291	(8,996)	(160)	(9,220)	2,883	(661)	749,212	908,687	16,986	925,673

**1(d)(i) Statement of Changes in Equity  
For the three months ended 30 June**

<b>Company</b>				
<b>S\$'000</b>	<b>Share capital</b>	<b>Fair value reserve</b>	<b>Retained profits</b>	<b>Total equity</b>
At 1 April 2016	174,338	(1,299)	184,831	357,870
Profit for the period	-	-	8,430	8,430
<b>Other comprehensive income</b>				
Fair value changes on available-for-sale financial assets	-	554	-	554
<b>Total other comprehensive income</b>	-	554	-	554
<b>Total comprehensive income for the period</b>	-	554	8,430	8,984
At 30 June 2016	174,338	(745)	193,261	366,854
At 1 April 2017	174,338	(1,299)	202,625	375,664
Loss for the period	-	-	(1,159)	(1,159)
<b>Other comprehensive income</b>				
Fair value changes on available-for-sale financial assets	-	2,590	-	2,590
<b>Total other comprehensive income</b>	-	2,590	-	2,590
<b>Total comprehensive income for the period</b>	-	2,590	(1,159)	1,431
<b>Distributions to owners</b>				
Dividend paid to equity holders	-	-	(18,009)	(18,009)
<b>Total transactions with owners</b>	-	-	(18,009)	(18,009)
At 30 June 2017	174,338	1,291	183,457	359,086

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of shares 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 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.**

Not applicable.

- 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.**

	<b>30 June 2017</b>	<b>31 December 2016</b>
Number of issued shares	600,304,650	600,304,650

- 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.**

Not applicable.

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

Not applicable.

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

Pursuant to the requirements of Rule 25 of the Singapore Code on Take-overs and Mergers, the financial information of the Group relating to the three months and six months ended 30 June 2017 and as at that date set out in sections 1(a)(i), 1(a)(ii), 1(b)(i), 1(c), 1(d), 6 and 7 {only group} of this announcement has been extracted from the interim financial report prepared in accordance with Singapore Financial Reporting Standard 34, Interim Financial Reporting. This financial information has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The comparative figures for the six months ended 30 June 2016 have previously been reviewed by the auditors.

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

Please refer to the independent auditors' review report dated 1 August 2017 on the review of the condensed consolidated interim financial information for the three months and six months ended 30 June 2017 which have been prepared in accordance with Singapore Financial Reporting Standard 34, Interim Financial Reporting and annexed to this announcement.



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 Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 December 2016.

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.**

In the current financial period, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual period beginning on 1 January 2017.

The Group has presently assessed that the adoption of these new and revised FRSs has no material effect on the amounts reported for the current or prior years.

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.**

In computing the EPS below, the weighted average number of ordinary shares in issue is 600,304,650 (30 June 2016: 600,304,650) during the financial period under review.

The weighted average number of shares used for the computation for the EPS on basic (a) and fully diluted basis (b) is 600,304,650 (30 June 2016: 600,304,650).

EPS (cents)	Three months ended 30 June		Half year ended 30 June	
	2017	2016	2017	2016
(a) Basic	8.32	2.27	13.35	6.22
(b) Diluted	8.32	2.27	13.35	6.22
Based on weighted average number of ordinary shares in issue (in millions)	600.3	600.3	600.3	600.3

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year**

The NAV per ordinary share for 30 June 2017 was computed based on the share base of 600,304,650 (31 December 2016: 600,304,650).

	30 June 2017	31 December 2016
<b>NAV per ordinary share (cents)</b>		
- Group	151.4	145.6
- Company	59.8	61.5

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.**

**Group Financial Highlights**

**a) 2<sup>nd</sup> Quarter 2017 ("2Q2017")**

The Group delivered exceptional results for 2Q2017, as revenue grew by 9% to S\$2.6b, Gross Profit expanded 27% to S\$85.0m whilst profit after tax surged 236% to S\$50.3m. The surge in performance is attributed to the finalisation of a design and build project and Commodity Marketing. Logistics businesses were affected by a generally weaker market whilst Financial Services weakened with less trade services opportunities.

**b) Half-Year ended 30 June 2017 ("1H2017")**

The strong 1<sup>st</sup> and 2<sup>nd</sup> quarterly results drove up the Group's half-year profit after tax to a new record high. Group profit after tax was S\$82.0m for 1H2017 on revenue of S\$5.2b and gross profit was S\$167.6m.

Engineering Services and Commodity Marketing were the key contributors to the Group's stellar performance for the half year.

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

No forecast or prospect statement has been issued previously.

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.**

The construction of the CWT mega integrated logistics hub is in progress. Levels 1 and 2 of the warehouse obtained TOP on 16 Feb 2017, while levels 3, 5, 6 and 7 obtained TOP on 2 May 2017. The warehouse building is targeted to complete by 3<sup>rd</sup> quarter of 2017.

**11 Dividend****(a) Current Financial Year Reported On**

There is no dividend declared for the current financial period.

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

There is no dividend declared for the corresponding period of immediate preceding financial year.

**(c) Book Closure Date**

No applicable.

**(d) Date Payable**

No applicable.

**12. If no dividend has been declared / recommended, a statement to that effect.**

No dividend has been declared / recommended for the current financial period.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"). The aggregate value of all interested person transactions is as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	Half year ended 30 June 2017	Half year ended 30 June 2016	Half year ended 30 June 2017	Half year ended 30 June 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Sales				
- J Logistics Pte Ltd	NA	692	NA	NA
Purchases				
- C&P Inland Ports Pte Ltd	120	NA	NA	NA
- C&P Leasing Pte Ltd	672	801	NA	NA
- C&P Transport Pte Ltd	2,600	2,500	NA	NA

**14. Negative Assurance on Interim Financial Statement**

The Board of Directors hereby confirms that, to the best of their knowledge, nothing has come to their attention, which may render the 2Q2017 financial results to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**LYE SIEW HONG – LYNDA GOH  
COMPANY SECRETARY  
1st August 2017**

**The Singapore Code on Take-overs and Mergers**

The unaudited consolidated financial information of the Group for the second quarter and six months ended 30 June 2017 have been reported on in accordance with the Singapore Code on Take-overs and Mergers.

**Auditors' Consent**

KPMG LLP has given and has not withdrawn its consent to the reproduction in its entirety of their report on the review of the unaudited consolidated financial information of the Group for the three months and six months ended 30 June 2017 ("Interim Results") in this announcement of Interim Results.

**AUDITORS' REVIEW REPORT ON THE 1H2017 RESULTS**

KPMG LLP  
16 Raffles Quay #22-00  
Hong Leong Building  
Singapore 048581

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**Report on review of Condensed Interim Financial Information**

The Board of Directors of  
CWT Limited

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of CWT Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2017 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months period then ended and the condensed consolidated statements of profit or loss, and comprehensive income for the three months period then ended and certain explanatory notes (the Condensed Interim Financial Information). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with Singapore Financial Reporting Standard 34 *Interim Financial Reporting* ("FRS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

*Scope of review*

We conducted our review in accordance with Singapore Standards 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 Condensed Interim Financial Information is not prepared, in all material respects, in accordance with FRS 34.



*Other matter*

As disclosed in Note 22 to the condensed interim financial information, we have not carried an audit or a review in accordance with Singapore Standards on Auditing or Singapore Standards on Review Engagements on the condensed interim financial information for the three months period then ended 30 June 2016. Accordingly, we do not express any such assurance on the condensed interim financial information for the three months period ended 30 June 2016.

*Restriction on use*

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the condensed interim financial information for the purpose of assisting the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company's announcement of its interim financial statements for the information of its members. We do not assume responsibility to anyone other than to the Company for our work, for our report, or for the conclusions we have reached in our report.

A handwritten signature in black ink that reads 'KPMG LLP'.

**KPMG LLP**  
*Public Accountants and  
Chartered Accountants*

**Singapore**  
1 August 2017

## LETTER FROM EYCF ON THE 1H2017 RESULTS



Ernst & Young Corporate Finance Pte Ltd  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583

Mailing Address: ey.com  
Robinson Road  
PO Box 384  
Singapore 900734

2 October 2017

The Board of Directors  
**CWT Limited**  
38 Tanjong Penjur  
Singapore 609039

Dear Sirs:

**VOLUNTARY CONDITIONAL GENERAL OFFER BY BARCLAYS BANK PLC, SINGAPORE BRANCH AND CHINA INTERNATIONAL CAPITAL CORPORATION (SINGAPORE) PTE. LIMITED, FOR AND ON BEHALF OF HNA BELT AND ROAD INVESTMENTS (SINGAPORE) PTE. LTD. (THE "OFFEROR"), FOR ALL THE ORDINARY SHARES IN THE CAPITAL OF CWT LIMITED (THE "COMPANY") OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR, ITS RELATED CORPORATIONS AND THEIR RESPECTIVE NOMINEES (THE "OFFER")**

We have examined and discussed the Company's unaudited financial statement for the second quarter and half year ended 30 June 2017 issued in the Company's SGXNET announcement on 1 August 2017 (the "**1H2017 Results**") with the management of the Company. We have also considered the report dated 1 August 2017 issued by KPMG LLP, Singapore, the independent auditors of the Company. The 1H2017 Results are solely the responsibility of the Company's directors (the "**Directors**").

Based on the foregoing, we are of the opinion that the 1H2017 Results had been made after due and careful enquiry by the Directors.

For the purpose of rendering our opinion, we have relied upon and assumed the accuracy and completeness of all information provided to, or discussed with, us by the management of the Company. Save as provided in this letter, we do not express any other opinion on the 1H2017 Results.

We have provided this letter to the Directors solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and for no other purpose. We do not accept any responsibility to any person (other than the Directors) in respect of, arising out of, or in connection with this letter.

Yours faithfully,  
For and on behalf of  
**Ernst & Young Corporate Finance Pte Ltd**

Luke Pais  
Managing Director



## VALUATION REPORTS



Savills Valuation And  
Professional Services (S) Pte Ltd  
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savills.com

Our Ref: 2017/1356A/CORP/KH

9 September 2017

Board of Directors of CWT Limited  
c/o 38 Tanjong Penjuru  
Singapore 609039

Dear Sirs,

**DESKTOP VALUATION OF  
4 PANDAN AVENUE  
SINGAPORE 609383**

We refer to the instructions from CWT Limited to carry out a desktop valuation to advise on the market value of the above property in connection with the voluntary conditional general offer by or on behalf of HNA Belt and Road Investments (Singapore) Pte. Ltd. for all the issued and paid-up ordinary shares in the share capital of CWT Limited (the "Offer") and for inclusion in CWT Limited's circular in relation to the Offer.

This valuation is premised on the latest information as provided. No recent site inspection nor title searches/ structural survey/ legal requisitions were carried out.

This valuation has been carried out in accordance with The Singapore Institute of Surveyors And Valuers' Valuation Standards and Guidelines.

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

The estimated values are based upon the factual information provided by your goodselves. Property data/ information provided are assumed to be correct. Whilst Savills has endeavored to ensure the accuracy of the information, it has not independently verified all information provided by your goodselves. Savills also accepts no responsibility for subsequent changes in information as to areas, income, expenses or market conditions.

The brief details of the subject property are summarised as follows:-

Address of Property	:	4 Pandan Avenue, Singapore 609383
Type of Property	:	A 5-storey ramp-up warehouse building with ancillary office
Legal Description	:	Lot 7841K Mukim 5
Tenure	:	Leasehold for 30 years commencing from 9 October 2014 (we are instructed to value the subject property based on un-expired interest of about 27.1 years)
Land Area	:	23,761.1 sm, subject to government's final survey
Gross Floor Area	:	Approximately 59,351.8 sm, as provided and subject to final survey
Lettable Floor Area	:	Approximately 54,400.8 sm, as provided and subject to final survey
Permitted Use	:	For integrated logistics services including secured and other general storage services only except with the prior consent in writing of the Lessor.
Year of Completion	:	The Temporary Occupation Permit was issued on 30 January 2015 and the Certificate of Statutory Completion was issued on 4 September 2015.
Condition	:	Assume good
Master Plan Zoning (2014)	:	"Business 2" with plot ratio 2.5  The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.
Occupancy	:	We understand that the property is partly owner-occupied and partly tenanted. However, no further details were made available to us.
Annual Value	:	The property is assessed at an Annual Value of \$9,097,400. Property tax is payable at 10% per annum of the Annual Value.
Land Rent	:	\$718,536 per annum

**Basis of Valuation** : As-Is basis and subject to the existing occupancy arrangement but free from all other encumbrances

**Methods of Valuation** : Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method

With due regard to the foregoing and taking into consideration the current market conditions and other relevant factors, we are of the opinion that the value of the subject property is as follows:

**Date of Valuation** : 9 September 2017

**Market Value** : \$132,000,000  
(Singapore Dollars One Hundred And Thirty-Two Million Only)

#### **Disclaimer**

The reported opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions.

Savills has relied upon the property data supplied by your goodselves which we assume to be true and accurate. Savills takes no responsibility for inaccurate data supplied by your goodselves and subsequent conclusions related to such data.

We confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the properties and the valuers undertaking the valuation are authorized to practice as valuers and have the necessary expertise and experience in valuation of such type of properties.

Prepared by:  
**Savills Valuation And Professional Services (S) Pte Ltd**



**Cynthia Ng**  
Licensed Appraiser No. AD041-2003388A  
Managing Director



**Kamal Hamdi**  
Licensed Appraiser No. AD041-2006388F  
Executive Director

KH/CN/k

## LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

<b>Valuation Standards:</b>	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
<b>Valuation Basis:</b>	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
<b>Currency of Valuation:</b>	Values are reported in Singapore currency unless otherwise stated.
<b>Purpose:</b>	Our valuation is strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
<b>Copyright:</b>	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
<b>Limitation of Liability:</b>	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
<b>Validity Period:</b>	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
<b>Planning Information:</b>	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
<b>Other Statutory Regulations:</b>	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
<b>Site Condition:</b>	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
<b>Condition of Property:</b>	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
<b>Source of Information:</b>	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
<b>Floor Areas:</b>	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
<b>Tenant:</b>	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
<b>Attendance in Court:</b>	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref: 2017/1356B/CORP/AQ

9 September 2017

Board of Directors of CWT Limited  
c/o 38 Tanjong Penjuru  
Singapore 609039

The Savills logo consists of the word "savills" in a lowercase, sans-serif font, positioned to the right of a grey square.

Savills Valuation And  
Professional Services (S) Pte Ltd  
Reg No: 200402411G

30 Cecil Street  
#20-03 Prudential Tower  
Singapore 049712

T: (65) 6836 6888  
F: (65) 6536 8611

savills.com

Dear Sirs,

**DESKTOP VALUATION OF  
52 TANJONG PENJURU  
SINGAPORE 609034**

We refer to the instructions from CWT Limited to carry out a desktop valuation to advise on the market value of the above property in connection with the voluntary conditional general offer by or on behalf of HNA Belt and Road Investments (Singapore) Pte. Ltd. for all the issued and paid-up ordinary shares in the share capital of CWT Limited (the "Offer") and for inclusion in CWT Limited's circular in relation to the Offer.

This valuation is premised on the latest information as provided. No recent site inspection nor title searches/ structural survey/ legal requisitions were carried out.

This valuation has been carried out in accordance with The Singapore Institute of Surveyors And Valuers' Valuation Standards and Guidelines.

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

The estimated values are based upon the factual information provided by your goodselves. Property data/ information provided are assumed to be correct. Whilst Savills has endeavored to ensure the accuracy of the information, it has not independently verified all information provided by your goodselves. Savills also accepts no responsibility for subsequent changes in information as to areas, income, expenses or market conditions.

The brief details of the subject property are summarised as follows:-

Address of Property	: 52 Tanjong Penjuru, Singapore 609034
Type of Property	: A 5-storey ramp-up warehouse building with ancillary office on mezzanine floors on the 3 <sup>rd</sup> and 5 <sup>th</sup> storeys. We understand that it is equipped with dangerous good handling facilities and has garnered the BCA Green Mark Gold Plus Award.
Legal Description	: Lot 3262P Mukim 5
Tenure	: Leasehold for 30+10 years commencing from 1 July 2009 (we are instructed to value the subject property based on un-expired interest of about 31.8 years)
Land Area	: 31,138.3 sm, subject to government's final survey
Gross Floor Area	: Approximately 78,624.2 sm, as provided and subject to final survey
Lettable Floor Area	: Approximately 74,897.9 sm, as provided and subject to final survey
Permitted Use	: For the purpose of transportation and warehousing logistics and distribution centre (service provider) only and for no other purpose whatsoever except with the prior written consent of the Lessor
Year of Completion	: The Temporary Occupation Permit was issued on 15 April 2011 and the Certificate of Statutory Completion was issued on 15 September 2011
Condition	: Assume good
Master Plan Zoning (2014)	: "Business 2" with plot ratio 2.5  The official Master Plan Zoning, Road/Drainage/MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.
Occupancy	: We understand that the property is partly owner-occupied and partly tenanted. However, no further details were made available to us.
Annual Value	: The property is assessed at an Annual Value of \$9,140,000. Property tax is payable at 10% per annum of the Annual Value.

Land Rent : \$890,555 per annum

Basis of Valuation : As-Is basis and subject to the existing occupancy arrangement but free from encumbrances

Methods of Valuation : Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method

With due regard to the foregoing and taking into consideration the current market conditions and other relevant factors, we are of the opinion that the value of the subject property is as follows:

**Date of Valuation : 9 September 2017**

**Market Value : \$173,400,000**  
**(Singapore Dollars One Hundred Seventy-Three Million And Four Hundred Thousand Only)**

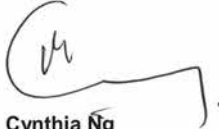
#### Disclaimer

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Savills has relied upon the property data supplied by your goodselves which we assume to be true and accurate. Savills takes no responsibility for inaccurate data supplied by your goodselves and subsequent conclusions related to such data.

We confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the properties and the valuers undertaking the valuation are authorized to practice as valuers and have the necessary expertise and experience in valuation of such type of properties.

Prepared by:  
**Savills Valuation And Professional Services (S) Pte Ltd**



**Cynthia Ng**  
Licensed Appraiser No. AD041-2003388A  
Managing Director



**Angus Quek**  
Licensed Appraiser No. AD041-2009188F  
Director

AQ/CN/k

## LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

<b>Valuation Standards:</b>	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
<b>Valuation Basis:</b>	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
<b>Currency of Valuation:</b>	Values are reported in Singapore currency unless otherwise stated.
<b>Purpose:</b>	Our valuation is strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
<b>Copyright:</b>	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
<b>Limitation of Liability:</b>	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
<b>Validity Period:</b>	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
<b>Planning Information:</b>	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
<b>Other Statutory Regulations:</b>	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
<b>Site Condition:</b>	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
<b>Condition of Property:</b>	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
<b>Source of Information:</b>	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
<b>Floor Areas:</b>	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
<b>Tenant:</b>	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
<b>Attendance in Court:</b>	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.



Our Ref: 2017/1356C/CORP/KH



Savills Valuation And  
Professional Services (S) Pte Ltd  
Reg No: 200402411G

9 September 2017

Board of Directors of CWT Limited  
c/o 38 Tanjong Penjuru  
Singapore 609039

30 Cecil Street  
#20-03 Prudential Tower  
Singapore 049712

T: (65) 6836 6888  
F: (65) 6536 8611

savills.com

Dear Sirs,

**DESKTOP VALUATION OF  
6 FISHERY PORT ROAD  
SINGAPORE 619747**

We refer to the instructions from CWT Limited to carry out a desktop valuation to advise on the market value of the above property in connection with the voluntary conditional general offer by or on behalf of HNA Belt and Road Investments (Singapore) Pte. Ltd. for all the issued and paid-up ordinary shares in the share capital of CWT Limited (the "Offer") and for inclusion in CWT Limited's circular in relation to the Offer.

This valuation is premised on the latest information as provided. No recent site inspection nor title searches/ structural survey/ legal requisitions were carried out.

This valuation has been carried out in accordance with The Singapore Institute of Surveyors And Valuers' Valuation Standards and Guidelines.

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

The estimated values are based upon the factual information provided by your goodselves. Property data/ information provided are assumed to be correct. Whilst Savills has endeavored to ensure the accuracy of the information, it has not independently verified all information provided by your goodselves. Savills also accepts no responsibility for subsequent changes in information as to areas, income, expenses or market conditions.

The brief details of the subject property are summarised as follows:-

Address of Property	: 6 Fishery Port Road, Singapore 619747
Type of Property	: A ramp-up warehouse (cold storage) development comprising a block of 7-storey warehouse with ancillary office on 2 <sup>nd</sup> to 7 <sup>th</sup> Storeys and 2 <sup>nd</sup> to 5 <sup>th</sup> mezzanine floors
Legal Description	: Lot 4741A (Private Lot A0334310) Mukim 6
Tenure	: Leasehold for 30+24 years commencing on 29 June 2011 (we are instructed to value the subject property based on un-expired interest of about 47.8 years)
Land Area	: 27,959.0 sm, subject to government's final survey
Gross Floor Area	: Approximately 69,810.6 sm, as provided and subject to final survey
Lettable Floor Area	: Approximately 61,398.7 sm, as provided and subject to final survey
Permitted Use	: For the purpose of cold storage warehousing services and food logistics, value-added services including processing only
Year of Completion	: The Temporary Occupation Permits were issued on 25 June 2014, 4 July 2014 and 3 February 2015 for 1 <sup>st</sup> to 5 <sup>th</sup> storeys, 6 <sup>th</sup> to 7 <sup>th</sup> storeys and 6 <sup>th</sup> storey steel hybrid staircase respectively. The Certificate of Statutory Completion was issued on 13 October 2015.
Condition	: Assume good
Master Plan Zoning (2014)	: "Business 2" with plot ratio 2.5  The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.
Occupancy	: We understand that the property is partly owner-occupied and partly tenanted. However, no further details were made available to us.
Annual Value	: The property is assessed at an Annual Value of \$11,368,000. Property tax is payable at 10% per annum of the Annual Value.
Land Rent	: \$707,363 per annum

Basis of Valuation : As-Is basis and subject to the existing occupancy arrangement but free from all other encumbrances

Methods of Valuation : Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method

With due regard to the foregoing and taking into consideration the current market conditions and other relevant factors, we are of the opinion that the value of the subject property is as follows:

**Date of Valuation** : 9 September 2017

**Market Value** : \$240,000,000  
(Singapore Dollars Two Hundred And Forty Million Only)

#### Disclaimer

The reported opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions.

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We confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the properties and the valuers undertaking the valuation are authorized to practice as valuers and have the necessary expertise and experience in valuation of such type of properties.

Prepared by:  
**Savills Valuation And Professional Services (S) Pte Ltd**



**Cynthia Ng**  
Licensed Appraiser No. AD041-2003388A  
Managing Director



**Kamal Hamdi**  
Licensed Appraiser No. AD041-2006388F  
Executive Director

KH/CN/k

## LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

<b>Valuation Standards:</b>	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
<b>Valuation Basis:</b>	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
<b>Currency of Valuation:</b>	Values are reported in Singapore currency unless otherwise stated.
<b>Purpose</b>	Our valuation is strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
<b>Copyright:</b>	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
<b>Limitation of Liability:</b>	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
<b>Validity Period:</b>	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
<b>Planning Information:</b>	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
<b>Other Statutory Regulations:</b>	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
<b>Site Condition:</b>	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
<b>Condition of Property:</b>	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
<b>Source of Information:</b>	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
<b>Floor Areas:</b>	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
<b>Tenant:</b>	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
<b>Attendance in Court:</b>	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref: 2017/1356D/CORP/DE

9 September 2017

Board of Directors of CWT Limited  
c/o 38 Tanjong Penjuru  
Singapore 609039

The Savills logo consists of the word "savills" in a lowercase, sans-serif font, positioned to the right of a grey square.

Savills Valuation And  
Professional Services (S) Pte Ltd  
Reg No: 200402411G

30 Cecil Street  
#20-03 Prudential Tower  
Singapore 049712

T: (65) 6836 6888  
F: (65) 6536 8611

savills.com

Dear Sirs,

**DESKTOP VALUATION OF  
5A TOH GUAN ROAD EAST  
SINGAPORE 608830**

We refer to the instructions from CWT Limited to carry out a desktop valuation to advise on the market value of the above property in connection with the voluntary conditional general offer by or on behalf of HNA Belt and Road Investments (Singapore) Pte. Ltd. for all the issued and paid-up ordinary shares in the share capital of CWT Limited (the "Offer") and for inclusion in CWT Limited's circular in relation to the Offer.

This valuation is premised on the latest information as provided. No recent site inspection nor title searches/ structural survey/ legal requisitions were carried out.

This valuation has been carried out in accordance with The Singapore Institute of Surveyors And Valuers' Valuation Standards and Guidelines.

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

The estimated values are based upon the factual information provided by your goodselves. Property data/ information provided are assumed to be correct. Whilst Savills has endeavored to ensure the accuracy of the information, it has not independently verified all information provided by your goodselves. Savills also accepts no responsibility for subsequent changes in information as to areas, income, expenses or market conditions.



The brief details of the subject property are summarised as follows:-

Address of Property	: 5A Toh Guan Road East, Singapore 608830
Type of Property	: A 6-storey ramp-up warehouse building with ancillary offices on the 3 <sup>rd</sup> and 4 <sup>th</sup> storey mezzanine levels and on the 6th storey. We understand that it has been awarded by BCA "Green Mark Gold Award".
Legal Description	: Lot 6563M Mukim 5
Tenure	: Leasehold for 30+21 years commencing on 1 March 1991 (we are instructed to value the subject property based on un-expired interest of about 24.5 years)
Land Area	: 22,346.5 sm, subject to government's final survey
Gross Floor Area	: Approximately 55,769.8 sm* as provided and subject to final survey <i>* Excluding roof-top space of approximately 3,716.0 sm</i>
Lettable Floor Area	: Approximately 52,591.53 sm, as provided and subject to final survey
Permitted Use	: For the purpose of warehousing and distribution services only
Year of Completion	: The Temporary Occupation Permit was issued on 3 January 2014 and the Certificate of Statutory Completion was issued on 13 November 2014.
Condition	: Assume fairly good
Master Plan Zoning (2014)	: "Business 2" with plot ratio 2.5  The official Master Plan Zoning, Road/Drainage/MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.
Occupancy	: We understand that the property is partly owner-occupied and partly tenanted. However, no further details were made available to us.
Annual Value	: The property is assessed at an Annual Value of \$7,564,000. Property tax is payable at 10% per annum of the Annual Value.



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Land Rent : \$1,125,370 per annum

Basis of Valuation : As-Is basis and subject to the existing occupancy arrangement but free from all other encumbrances

Methods of Valuation : Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method

With due regard to the foregoing and taking into consideration the current market conditions and other relevant factors, we are of the opinion that the value of the subject property is as follows:

Date of Valuation : 9 September 2017

Market Value : \$110,200,000  
(Singapore Dollars One Hundred Ten Million And Two Hundred Thousand Only)

#### Disclaimer


The reported opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions.

Savills has relied upon the property data supplied by your goodselves which we assume to be true and accurate. Savills takes no responsibility for inaccurate data supplied by your goodselves and subsequent conclusions related to such data.

We confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the properties and the valuers undertaking the valuation are authorized to practice as valuers and have the necessary expertise and experience in valuation of such type of properties.

Prepared by:  
**Savills Valuation And Professional Services (S) Pte Ltd**

  
**Cynthia Ng**  
Licensed Appraiser No. AD041-2003388A  
Managing Director

  
**Daniel Ee**  
Licensed Appraiser No. AD041-2004607E  
Senior Director

DE/CN/ha

## LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

<b>Valuation Standards:</b>	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
<b>Valuation Basis:</b>	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
<b>Currency of Valuation:</b>	Values are reported in Singapore currency unless otherwise stated.
<b>Purpose:</b>	Our valuation is strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
<b>Copyright:</b>	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
<b>Limitation of Liability:</b>	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
<b>Validity Period:</b>	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
<b>Planning Information:</b>	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
<b>Other Statutory Regulations:</b>	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
<b>Site Condition:</b>	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
<b>Condition of Property:</b>	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
<b>Source of Information:</b>	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
<b>Floor Areas:</b>	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
<b>Tenant:</b>	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
<b>Attendance in Court:</b>	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.



Our Ref : 2017/1356E/CORP/AQ

9 September 2017

Board of Directors of CWT Limited  
c/o 38 Tanjong Penjuru  
Singapore 609039



Savills Valuation And  
Professional Services (S) Pte Ltd  
Reg No: 200402411G

30 Cecil Street  
#20-03 Prudential Tower  
Singapore 049712

T: (65) 6836 6888  
F: (65) 6536 8611

savills.com

Dear Sirs,

**DESKTOP VALUATION OF  
38 TANJONG PENJURU  
SINGAPORE 609039**

We refer to the instructions from CWT Limited to carry out a desktop valuation to advise on the market value of the above property in connection with the voluntary conditional general offer by or on behalf of HNA Belt and Road Investments (Singapore) Pte. Ltd. for all the issued and paid-up ordinary shares in the share capital of CWT Limited (the "Offer") and for inclusion in CWT Limited's circular in relation to the Offer.

This valuation is premised on the latest information as provided. No recent site inspection nor title searches/ structural survey/ legal requisitions were carried out.

This valuation has been carried out in accordance with The Singapore Institute of Surveyors And Valuers' Valuation Standards and Guidelines.

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

The estimated values are based upon the factual information provided by your goodselves. Property data/ information provided are assumed to be correct. Whilst Savills has endeavored to ensure the accuracy of the information, it has not independently verified all information provided by your goodselves. Savills also accepts no responsibility for subsequent changes in information as to areas, income, expenses or market conditions.

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The brief details of the subject property are summarised as follows:-

Address of Property	:	38 Tanjong Penjuru, Singapore 609039
Type of Property	:	A 5-storey light industrial building comprising a ramp up warehouse on the 1st and 3rd storeys and ancillary office on 2nd, 4th and 5th storeys. The property enjoys sea view.
Legal Description	:	Lot 8234N Mukim 5
Tenure	:	Leasehold for 30+14 years commencing from 1 November 2005 (we are instructed to value the subject property based on un-expired interest of about 32.1 years)
Land Area	:	34,884.3 sm, subject to government's final survey
Gross Floor Area	:	Approximately 34,860.3 sm, as provided and subject to final survey
Lettable Floor Area	:	Approximately 32,262.6 sm, as provided and subject to final survey
Permitted Use	:	For the purpose of integrated logistics services including warehouse, storage, transportation, freight, documentation and other value add activities only and for no other purpose whatever.
Year of Completion	:	The Temporary Occupation Permit was issued on 10 January 2007 and the Certificate of Statutory Completion was issued on 23 December 2008
Condition	:	Assume good
Master Plan Zoning (2014)	:	"Business 2" with plot ratio 1.0  The official Master Plan Zoning, Road/Drainage/MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.
Occupancy	:	We understand that the property is currently being owner-occupied.
Annual Value	:	The property is assessed at an Annual Value of \$4,153,500. Property tax is payable at 10% per annum of the Annual Value.

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Land Rent/Water Frontage Fee : \$855,148 per annum

Basis of Valuation : As-Is basis with vacant possession and free from all other encumbrances

Methods of Valuation : Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method

With due regard to the foregoing and taking into consideration the current market conditions and other relevant factors, we are of the opinion that the value of the subject property is as follows:

**Date of Valuation** : **9 September 2017**

**Market Value** : **\$79,500,000**  
**(Singapore Dollars Seventy-Nine Million And Five Hundred Thousand Only)**


#### Disclaimer

The reported opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions.

Savills has relied upon the property data supplied by your goodselves which we assume to be true and accurate. Savills takes no responsibility for inaccurate data supplied by your goodselves and subsequent conclusions related to such data.

We confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the properties and the valuers undertaking the valuation are authorized to practice as valuers and have the necessary expertise and experience in valuation of such type of properties.

Prepared by:  
**Savills Valuation And Professional Services (S) Pte Ltd**

  
**Cynthia Ng**  
Licensed Appraiser No. AD041-2003388A  
Managing Director

  
**Angus Quek**  
Licensed Appraiser No. AD041-2009188F  
Director

AQ/CN/ha

## LIMITING CONDITIONS



Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

<b>Valuation Standards:</b>	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
<b>Valuation Basis:</b>	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
<b>Currency of Valuation:</b>	Values are reported in Singapore currency unless otherwise stated.
<b>Purpose:</b>	Our valuation is strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
<b>Copyright:</b>	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
<b>Limitation of Liability:</b>	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
<b>Validity Period:</b>	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
<b>Planning Information:</b>	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
<b>Other Statutory Regulations:</b>	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
<b>Site Condition:</b>	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
<b>Condition of Property:</b>	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
<b>Source of Information:</b>	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
<b>Floor Areas:</b>	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
<b>Tenant:</b>	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
<b>Attendance in Court:</b>	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref : 2017/1356F/CORP/DE



9 September 2017

Savills Valuation And  
Professional Services (S) Pte Ltd  
Reg No: 200402411G

Board of Directors of CWT Limited  
c/o 38 Tanjong Penjuru  
Singapore 609039

30 Cecil Street  
#20-03 Prudential Tower  
Singapore 049712

T: (65) 6836 6888  
F: (65) 6536 8611

Dear Sirs,

savills.com

**DESKTOP VALUATION OF  
47 JALAN BUROH  
SINGAPORE 619491**

We refer to the instructions from CWT Limited to carry out a desktop valuation to advise on the market value of the above property in connection with the voluntary conditional general offer by or on behalf of HNA Belt and Road Investments (Singapore) Pte. Ltd. for all the issued and paid-up ordinary shares in the share capital of CWT Limited (the "Offer") and for inclusion in CWT Limited's circular in relation to the Offer.

This valuation is premised on the latest information as provided. No recent site inspection nor title searches/ structural survey/ legal requisitions were carried out.

This valuation has been carried out in accordance with The Singapore Institute of Surveyors And Valuers' Valuation Standards and Guidelines.

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

The estimated values are based upon the factual information provided by your goodselves. Property data/ information provided are assumed to be correct. Whilst Savills has endeavored to ensure the accuracy of the information, it has not independently verified all information provided by your goodselves. Savills also accepts no responsibility for subsequent changes in information as to areas, income, expenses or market conditions.



The brief details of the subject property are summarised as follows:-

Address of Property : 47 Jalan Buroh, Singapore 619491

Type of Property : A newly completed 9-storey single-user warehouse development with ancillary office and temporary industrial canteen with ramp access up to 7<sup>th</sup> storey. In addition, it will be integrated with a proposed vertical state-of-the-art container storage and retrieval system (CSRS) for 7,400 TEUs to be erected on the northern portion of the subject site, next to the vehicular ramp and the northern periphery of the building. We understand that the building has been awarded by BCA "Green Mark Platinum Award".

Legal Description : Lots 3924W and 4779W Mukim 6

Tenure :

Lot No. Mukim 6	Tenure
3924W (JTC Private Lot A0334300)	Leasehold 29 years 4 months commencing from 16 August 2014
4779W (JTC Private Lot A3003157)	Leasehold 29 years 3 months and 17 days commencing from 29 August 2014

We are instructed to value the subject property based on un-expired leasehold interest of about 26.3 years.

Land Area : 87,119.5 sm, subject to government's final survey

Gross Floor Area : Approximately 222,154.73 sm, as provided and subject to final survey

Lettable Floor Area : Approximately 201,069.10 sm, as provided and subject to final survey

Permitted Use : Integrated logistics hub for cargoes and containers for storage, and value-add activities and supporting activities including parking, repairs and maintenance only



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Year of Completion	:	The Temporary Occupation Permits were issued in three phases on 16 February 2017, 2 May 2017 and 25 August 2017. We are given to understand that the construction of the proposed CSRS is expected to take about 1½ years' time and scheduled for completion by 1st half of 2019.
Condition	:	Good
Master Plan Zoning (2014)	:	"Business 2" with plot ratio 2.5  The official Master Plan Zoning, Road/Drainage/MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.
Occupancy	:	We understand that the property is partly owner-occupied and partly tenanted. However, no further details were made available to us.
Annual Value	:	The property is assessed at an Annual Value of \$8,051,000. Property tax is payable at 10% per annum of the Annual Value.
Land Rent	:	\$2,050,662 per annum
Basis of Valuation	:	As-Is basis, subject to the existing occupancy arrangement but free from all other encumbrances and satisfactory completion of the proposed CSRS
Methods of Valuation	:	Income Capitalisation Method, Discounted Cash Flow Analysis and Direct Comparison Method



With due regard to the foregoing and taking into consideration the current market conditions and other relevant factors, we are of the opinion that the value of the subject property is as follows:

**Date of Valuation** : 9 September 2017

**Market Value** : \$438,000,000  
(Singapore Dollars Four Hundred And Thirty-Eight Million Only)

Subject to Satisfactory Completion Of The Proposed Container Storage & Retrieval System (CSRS)

**Disclaimer**

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Savills has relied upon the property data supplied by your goodselves which we assume to be true and accurate. Savills takes no responsibility for inaccurate data supplied by your goodselves and subsequent conclusions related to such data.

We confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the properties and the valuers undertaking the valuation are authorized to practice as valuers and have the necessary expertise and experience in valuation of such type of properties.

Prepared by:  
**Savills Valuation And Professional Services (S) Pte Ltd**

A handwritten signature in black ink, appearing to be "CN", written over a circular scribble.

**Cynthia Ng**  
Licensed Appraiser No. AD041-2003388A  
Managing Director

A handwritten signature in black ink, appearing to be "Daniel Ee", written in a cursive style.

**Daniel Ee**  
Licensed Appraiser No. AD041-2004607E  
Senior Director

DE/CN/ha



## LIMITING CONDITIONS



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<b>Valuation Standards:</b>	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
<b>Valuation Basis:</b>	<p>The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.</p> <p>The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.</p>
<b>Currency of Valuation:</b>	Values are reported in Singapore currency unless otherwise stated.
<b>Purpose:</b>	Our valuation is strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
<b>Copyright:</b>	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
<b>Limitation of Liability:</b>	<p>The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.</p> <p>Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).</p>
<b>Validity Period:</b>	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
<b>Planning Information:</b>	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
<b>Other Statutory Regulations:</b>	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
<b>Site Condition:</b>	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
<b>Condition of Property:</b>	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
<b>Source of Information:</b>	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
<b>Floor Areas:</b>	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
<b>Tenant:</b>	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
<b>Attendance in Court:</b>	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

**EXTRACT FROM THE COMPANY'S CONSTITUTION**

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

*All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution of the Company, a copy of which is available for inspection at the registered address of the Company during normal business hours for the period during which the Offer remains open for acceptance.*

**(a) Rights in respect of Capital****“SHARES**

3. *ISSUE OF SHARES. Subject to the Act and to these Articles, no shares may be issued by the Directors without the prior approval of shareholders at General Meeting but subject thereto and to Article 12.*
4. *RESTRICTION ON ISSUE OF SHARE TO TRANSFER A CONTROLLING INTEREST. No share shall be issued so as to transfer a controlling interest in the Company without the prior approval of the shareholders in a General Meeting.*
- 4A. *TREASURY SHARES. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorized by, or prescribed pursuant to, the Act.*
5. *SPECIAL RIGHTS. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons as such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors may deem fit.*
6. *REDEEMABLE PREFERENCE SHARE. Subject to Section 70 of 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.*
7. *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, 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.*

8. *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.*
9. *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.*
10. *COMMISSION ON SUBSCRIPTION. The Company may pay a commission or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Subject to the provisions of Section 63 of the Act, such commission may be satisfied by the payment of cash or the allotment of fully paid shares or partly in one way and partly in the other.*
11. *NO TRUSTS RECOGNISED. No person, other than CDP, 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.*
12. *OFFER OF NEW SHARES.*
  - (1) *Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares of whatever kind shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the 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.*

- (2) *Notwithstanding Article 12(1), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:*
- (a) (i) *issue shares in the capital of the Company 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 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:*

- (A) *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 50 per cent. (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (B) 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 20 per cent. (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (B) below);*
- (B) *(subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (A) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time of the passing of the Ordinary Resolution, after adjusting for:*
  - (i) *new shares arising upon the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of the passing of the Ordinary Resolution; and*
  - (ii) *any subsequent consolidation or subdivision of shares;*
- (C) *in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance is waived by the Singapore Exchange Securities Trading Limited) and these Articles; and*

- (D) *(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).*
- (3) *No Director shall participate in an issue of shares to employees of the Company unless such Director shall hold office in an executive capacity and the specific allotment of shares to be made to such Director shall be approved by Members in general meeting.*

#### **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.*
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 previously to conversion have been transferred or as near thereto as circumstances admit; but the Directors may from time to time fix the minimum number of stock units transferable and restrict or forbid the transfer of fractions of that minimum.*
45. *RIGHTS OF STOCKHOLDERS. The holders of stock shall according to the amount 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 the number of stock units 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**

48. *COMPANY MAY ALTER ITS CAPITAL. The Company may by Ordinary Resolution –*
- (1) consolidate and divide all or any of its shares;*
  - (2) subdivide its shares or any of them so that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or*
  - (3) subject to the provisions of these Articles and the Act, convert any class of shares into any other class of shares.*
49. *COMPANY MAY REDUCE ITS CAPITAL. The Company may by special resolution reduce its share capital or other distributable reserve in any manner authorised and subject to any conditions prescribed by the Statutes.*

49B. *COMPANY ACQUIRING ITS OWN SHARES.* The Company may be subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in the treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.

#### **MODIFICATION OF CLASS RIGHTS**

50. *RIGHTS OF SHAREHOLDERS MAY BE ALTERED.* Subject 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."

#### **(b) Rights in respect of Voting**

##### **"GENERAL MEETINGS**

51. *GENERAL MEETINGS.* A general meeting shall be held once in every calendar year, at such time and place as may be determined by the Directors, but so that not more than fifteen months shall be allowed to elapse between any two such general meetings.

52. *GENERAL AND EXTRAORDINARY MEETINGS.* The abovementioned general meetings shall be called General Meetings. All other general meetings shall be called Extraordinary Meetings.

53. *EXTRAORDINARY MEETINGS.* The Directors may call an Extraordinary Meeting whenever they think fit, and Extraordinary Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by Section 176 of the Act.

54. *NOTICE OF MEETING.* Subject to the provisions of Sections 184 and 185 of the Act relating to the convening of meetings to pass special resolutions and resolutions of which special notice is required, fourteen days' notice at the least, specifying the place, the day and the hour of meeting, shall be given in manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notices of general meetings from the Company, but with the consent of all persons for the time being entitled as aforesaid, a meeting may be convened upon a shorter notice, and in such manner as such persons may approve. 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 Singapore Exchange Securities Trading Limited at least fourteen days' notice of every such meeting shall be given by advertisement in the daily press and in writing to the Singapore Exchange Securities Trading Limited. 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.*

55. *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**

56. *SPECIAL BUSINESS. All business shall be deemed special that is transacted at an Extraordinary Meeting, and also all that is transacted at a 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 the place of those retiring and the fixing of the remuneration of the Directors and the appointment and fixing of the remuneration of the Auditors.*
57. *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 three Members personally present or represented by proxy PROVIDED THAT any three proxies appointed by CDP shall suffice to establish plurality and quorum.*
58. *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.*
59. *CHAIRMAN OF BOARD TO PRESIDE AT ALL MEETINGS. The Chairman of the Directors shall preside as Chairman at every General Meeting, in his absence, the Deputy Chairman, and in the absence of both the Chairman and the Deputy Chairman, the Vice-Chairman shall preside as Chairman at every General Meeting. If at any meeting the Chairman, the Deputy Chairman or the Vice-Chairman be not 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.*
60. *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.*

61. *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 the Chairman or by any person for the time being entitled to vote at the meeting, and unless a poll is so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or carried by a particular majority, or lost, shall be conclusive, 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.*
62. *HOW POLL TO BE TAKEN. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. 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.*
63. *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**

64. *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 and each proxy and each attorney shall have one vote on a show of hands and on a poll, every Member present in person or by proxy shall have one vote for each share of which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of relevant General Meeting (the "cut-off time") as certified by the Depository to the Company.*
65. *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.*
66. *VOTES OF JOINT HOLDERS OF SHARES. In the case of joint holders any one such persons may vote, but if more than one 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.*
67. *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.*



68. *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 in the Company have been paid.*
69. *APPOINTMENT OF PROXIES.*
- (1) *A Member may appoint not more than two proxies to attend and vote at the same General Meeting, provided that if the Member is a Depositor:*
- (a) *The Company shall be entitled and bound to:*
- (i) *reject any instrument of proxy lodged if the proxy first named in that instrument, being the Depositor, is not shown in the records of CDP as at the cut-off time certified by CDP to the Company, to have any shares credited to a Securities Account; and*
- (ii) *to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares credited to the Securities Account of the relevant Depositor, as shown in the records of CDP as at the cut-off time, certified by CDP to the Company, whether that number is greater or smaller than the number so specified;*
- (b) *a Depositor may nominate not more than two persons as the proxy or proxies to attend and vote at the same meeting in the Depositor's stead and shall specify the proportion of its shareholdings to be represented by each proxy where it nominates more than one proxy. If no proportion is specified, the Company shall be entitled to deem the appointment in the alternative, or at the Company's option, to treat the instrument of proxy as invalid.*
- (2) *A proxy or representative need not be a Member.*
- (3) *An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and to speak at the meeting.*
70. *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.*
71. *FORM OF PROXY.*
- (1) *An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:*
- (a) *in the case of an individual shall be signed by the appointor or his attorney; and*
- (b) *in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.*

(2) *The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor (which shall, for purposes of this paragraph (2), include a Depositor) by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to Article 70 above, failing which the instrument may be treated as invalid.*

72. *CORPORATION ACTING BY REPRESENTATIVES AT MEETING. Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, 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 of the Company, and such corporation shall for the purpose of these Articles (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorized is present thereat."*

**(c) Rights in respect of Dividends**

**"LIEN**

15. *COMPANY TO HAVE LIEN ON SHARES AND DIVIDENDS. The Company shall have a lien on every share not being a fully-paid share for all monies (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares other than fully-paid shares standing registered in the name of a single person for all monies presently payable by him or his estate to the Company; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends payable thereon.*

16. *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.*

17. *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.*

18. *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 or engagement, as the case may be, and the balance (if any) shall be paid to the Member whose shares have been sold or to the person (if any) entitled by transmission to the shares so sold.*

19. *MEMBER NOT ENTITLED TO PRIVILEGES OF MEMBERSHIP UNTIL ALL CALLS PAID.* 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 alone or jointly with any other person, together with interest and expenses (if any).

#### **CALLS ON SHARES**

24. *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 confer a right to participate in the profits of the Company.
25. *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.

#### **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 moneys 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.

### **DIVIDENDS AND RESERVE**

107. *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.
108. *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. 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. All dividends payable to any Member shall be paid to his account or accounts with a bank or to the Member's registered address outside Singapore.
109. *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.
110. *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 members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

111. *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.
112. *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 as the owner of any share or, in the case of joint holders, of any one of such joint holders, 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.

#### **CAPITALISATION OF PROFITS**

113. *COMPANY MAY CAPITALISE RESERVES AND UNDIVIDED PROFITS.* 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 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 in paying up in full any unissued shares or debentures of the Company on behalf of the ordinary shareholders aforesaid, and appropriate such shares or debentures and distribute the same credited as fully paid up to and amongst such shareholders in the proportions aforesaid in satisfaction of the shares and interests of such shareholders in the said capitalised sum or shall 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 Registrar of Companies for registration in accordance with Section 63 of 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.

113A. BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES.

- (1) *The Company in general meeting may at any time and from time to time pass a resolution to:*

  - (a) *issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the CDP register at the close of business on:*
    - (i) *the date of the resolution made (or such other date as may be specified there in or determined as therein provided); or*
    - (ii) *such other date as may be determined by the Directors, in proportion to their then holdings of shares; and*
  - (b) *capitalise any sum standing to the credit of any of the Company's reserve accounts to other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the CDP register at the close of business on:*
    - (i) *the date the resolution was made (or such other date as may be specified therein or determined provided); or*
    - (ii) *such other date as may be determined by the Directors, in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.*

- (2) *The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under Article 113A(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*
- (3) *In addition and without prejudice to the powers provided for by Article 113A (1) and 113A (2), the Directors shall have power to issue shares for which no consideration is payable and 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, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit."*



