

CIRCULAR DATED 7 MARCH 2017

THIS CIRCULAR IS ISSUED BY AURIC PACIFIC GROUP LIMITED (THE “COMPANY”). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE RECOMMENDING DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF MS CORPORATE FINANCE PTE. LTD. (AS THE INDEPENDENT FINANCIAL ADVISER TO THE RECOMMENDING DIRECTORS) TO THE RECOMMENDING DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT IN RELATION TO THIS CIRCULAR OR AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your Shares (as defined herein) held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Circular to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with the CDP, you should immediately forward this Circular to the purchaser, the transferee or the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or the 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.

AURIC

AURIC PACIFIC GROUP LIMITED

(Company Registration Number: 198802981D)
(Incorporated in the Republic of Singapore)
(Singapore Stock Code: A23)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by



RHB Securities Singapore Pte. Ltd.

RHB SECURITIES SINGAPORE PTE. LTD.

(Company Registration Number: 198701140E)
(Incorporated in the Republic of Singapore)

for and on behalf of

SILVER CREEK CAPITAL PTE. LTD.

(Company Registration Number: 201634229W)
(Incorporated in the Republic of Singapore)

to acquire all the Offer Shares (as defined herein)

Independent Financial Adviser to the Recommending Directors

MS Corporate Finance Pte Ltd

MS CORPORATE FINANCE PTE. LTD.

(Incorporated in Singapore)
(Company Registration Number: 200305439E)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF OFFER AT 5:30 P.M. (SINGAPORE TIME) ON 24 MARCH 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:

“AA”	: Dr Andy Adhiwana
“Acceptance Forms”	: The FAA and/or FAT, as the case may be
“Circular”	: This circular to Shareholders dated 7 March 2017 in relation to the Offer, enclosing, <i>inter alia</i> , the IFA Letter
“Closing Date”	: 5.30 p.m. (Singapore time) on 24 March 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
“Code”	: The Singapore Code on Take-overs and Mergers
“Companies Act”	: The Companies Act, Chapter 50 of Singapore
“Company”	: Auric Pacific Group Limited
“Company Securities”	: Shares, other securities which carry voting rights in the Company and convertible securities, warrants, options and derivatives in respect of such Shares or securities
“Concert Parties”	: Parties acting or deemed to be acting in concert with the Offeror in respect of the Offer
“Constitution”	: The constitution of the Company
“CPF”	: Central Provident Fund
“CPF Agent Banks”	: Agent banks included under the CPFIS
“CPFIS”	: Central Provident Fund Investment Scheme
“CPFIS Investors”	: Shareholders who have purchased Shares using their CPF account savings under the CPFIS
“Directors”	: The directors of the Company as at the Latest Practicable Date, and “Director” means any one of them
“Distributions”	: In respect of the Offer Shares, dividends, rights, other distributions and return of capital
“Encumbrances”	: Claims, charges, liens, mortgages, encumbrances, hypothecations, retention of title, power of sale, equity, options, rights of pre-emption, rights of first refusal or other third party rights or interests of any nature whatsoever
“FAA”	: Form of Acceptance and Authorisation, applicable to Shareholders whose Offer Shares are deposited with CDP, which forms part of the Offer Document
“FAT”	: Form of Acceptance and Transfer, applicable to Shareholders whose Offer Shares are registered in their own names in the Register, which forms part of the Offer Document

“FY”	: Financial year ended or ending, as the case may be, 31 December
“Group”	: The Company and its subsidiaries
“IFA” or “MSCF”	: MS Corporate Finance Pte. Ltd., the independent financial adviser to the Recommending Directors in connection with the Offer
“IFA Letter”	: Has the meaning ascribed to it in section 8.1 of the Letter to Shareholders
“Interested Person”	: As defined in Note on Rule 24.6 of the Code and read with Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: <ul style="list-style-type: none"> (a) a director, chief executive officer, or Substantial Shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer, or a Substantial Shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer, or a Substantial Shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder (being a company); or (f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
“Latest Practicable Date”	: 1 March 2017, being the latest practicable date prior to the printing of this Circular
“Letter to Shareholders”	: The letter from the Directors to the Shareholders dated 7 March 2017 set out in this Circular
“Listing Manual”	: The Listing Manual of the SGX-ST, as amended up to the Latest Practicable Date
“Market Day”	: A day on which the SGX-ST is open for trading of securities
“Non-Recommending Directors”	: Dr Stephen Riady, Dr Andy Adhiwana and Mr Ronald Issen
“Offer”	: The voluntary conditional cash offer made by RHBSEC, for and on behalf of the Offeror, to acquire the Offer Shares on the terms and subject to the conditions set out in the Offer Document and the Acceptance Forms, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
“Offer Announcement”	: The announcement of the Offer released by RHBSEC, for and on behalf of the Offeror, on the Offer Announcement Date

“Offer Announcement Date”	: 7 February 2017, being the date of the Offer Announcement
“Offer Document”	: The document dated 21 February 2017, including the Acceptance Forms, and any other document(s) which may be issued by the Offeror, to amend, revise, supplement or update the document(s) from time to time
“Offer Price”	: S\$1.65 in cash for each Offer Share
“Offer Shares”	: All the Shares, other than those which are owned, controlled or agreed to be acquired by the Offeror or by parties acting in concert or deemed to be acting in concert with the Offeror in relation to the Offer
“Offeror”	: Silver Creek Capital Pte. Ltd.
“Offeror Securities”	: Ordinary shares in the capital of the Offeror, other securities which carry substantially the same rights in the Offeror and convertible securities, warrants, options and derivatives in respect of such shares or securities
“Overseas Shareholders”	: Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP
“Recommending Directors”	: The Directors who are considered independent for the purposes of the Offer, namely, Mr Albert Saychuan Cheok, Mr Bryan Chang Yew Chan, Mr Edwin Neo and Mr Tan Huay Lim
“Register”	: The register of Shareholders maintained by the Registrar
“Registrar”	: M & C Services Private Limited, the share registrar of the Company
“Relevant Period”	: The period prior to the Offer Announcement Date commencing on 7 November 2016 and ending on the Latest Practicable Date
“RHBSEC”	: RHB Securities Singapore Pte. Ltd., the financial adviser to the Offeror in relation to the Offer
“SFA”	: Securities and Futures Act, Chapter 289 of Singapore
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“SGXNET”	: Singapore Exchange Network, a system network used by listed companies to send information and announcements to SGX-ST or any other system networks prescribed by SGX-ST
“Shareholders”	: The holders of Shares, including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST
“Shares”	: Issued and paid-up ordinary shares in the capital of the Company
“SIC”	: Securities Industry Council of Singapore
“SR”	: Dr Stephen Riady
“SRS”	: The Supplementary Retirement Scheme
“SRS Agent Banks”	: Agent banks included under SRS
“SRS Investors”	: Investors who have purchased Shares pursuant to SRS

“Substantial Shareholder” : A person who has an interest in not less than five per cent. (5%) of the total number of issued voting Shares

“VWAP” : Volume weighted average price

Units and currencies

“S\$” and “cents” : Singapore dollars and cents respectively, the lawful currency of Singapore

“%” or “per cent.” : Per centum or percentage

Acting in Concert and Associates. Unless otherwise defined, the expressions **“acting in concert”** and **“associates”** shall have the same meanings as ascribed to them respectively in the Code.

Announcements and notices. References to the making of an announcement or the giving of notice by the Company shall include the release of an announcement by the Company or its agents, for and on behalf of the Company, to the press or the delivery of or transmission by telephone, telex, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified to the SGX-ST simultaneously.

Capitalised Terms in Extracts. Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and italics, and capitalised terms used within these reproduced statements and not defined herein shall bear the same meanings as attributed to them in the Offer Document, the IFA Letter and the Constitution respectively.

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

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

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

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

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

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

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

Time and Date. 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.

Total number of Shares as at the Latest Practicable Date. Any reference in this Circular to the total number of Shares in issue as at the Latest Practicable Date is a reference to a total of 125,667,324 issued Shares.

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”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA guarantees any future performance or event, or undertakes any obligation to update publicly or revise any forward looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

INDICATIVE TIMETABLE

Date of despatch of the Offer Document	:	21 February 2017
Date of despatch of the Circular	:	7 March 2017
Closing Date	:	5.30 p.m. (Singapore time) on 24 March 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 consideration for valid acceptances of the Offer	:	<ul style="list-style-type: none">(i) In respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional as to acceptances, within seven Business Days of that date; or(ii) In respect of acceptances of the Offer which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional as to acceptances, but before the Offer closes, within seven Business Days of the date of such receipt.

Please refer to paragraph 2 of Appendix 1 to the Offer Document for further information.

LETTER TO SHAREHOLDERS

AURIC PACIFIC GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 198802981D)

Board of Directors:

Mr Albert Saychuan Cheok
Dr Stephen Riady
Dr Andy Adhiwana
Mr Bryan Chang Yew Chan
Mr Edwin Neo
Mr Ronald Issen
Mr Tan Huay Lim

Registered Office:

50 Collyer Quay
#06-03 OUE Bayfront
Singapore 049321

7 March 2017

To: The Shareholders of Auric Pacific Group Limited

Dear Sir / Madam

VOLUNTARY CONDITIONAL OFFER BY RHBSEC, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES

1. INTRODUCTION

- 1.1. **Offer Announcement.** On 7 February 2017, RHBSEC announced, for and on behalf of the Offeror, that the Offeror intends to make the Offer for the Offer Shares, in accordance with Section 139 of the SFA and the Code.
- 1.2. **Offer Document.** Shareholders should by now have received a copy of the Offer Document issued by RHBSEC, for and on behalf of the Offeror, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out on pages 8 to 10 of the Offer Document. **Shareholders are advised to read the terms and conditions of the Offer contained in the Offer Document carefully.**

The Offer Announcement and the Offer Document are available for download from the website of the SGX-ST at www.sgx.com.

- 1.3. **Purpose of this Circular.** The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Company and the Offer, the advice of the IFA to the Recommending Directors and the recommendation of the Recommending Directors with regards to the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Recommending Directors and the advice of the IFA to the Recommending Directors on the Offer before deciding on whether to accept or reject the Offer. 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.

2. THE OFFER

- 2.1. **Offer Terms.** The Offer is made by RHBSEC for and on behalf of the Offeror on the principal terms set out in sections 2 and 3 of the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

“2. TERMS OF THE OFFER

2.1 Offer Price. For and on behalf of the Offeror, RHBSEC hereby makes the Offer for all the Offer Shares, in accordance with Section 139 of the SFA and the Code, on the following basis:

For each Offer Share: S\$1.65 in cash

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

2.2 Offer Shares. The Offer will be extended to all the Offer Shares. The Offer does not extend to the Shares owned, controlled or agreed to be acquired by the Offeror or its Concert Parties, including:

2.2.1 the 61,927,335 Shares, representing 49.28% of the total number of Shares in issue as at the Latest Practicable Date, which are held indirectly by Lippo China Resources Limited (“**LCR**”), an entity listed on The Stock Exchange of Hong Kong Limited and ultimately owned by a discretionary trust of which SR and his family members are beneficiaries; and

2.2.2 the 34,487,811 Shares, representing 27.44% of the total number of Shares in issue as at the Latest Practicable Date, which are held indirectly by AA through Goldstream Capital Limited (“**Goldstream**”).

2.3 Rights and Encumbrances. The Offer Shares will be acquired:

2.3.1 fully paid;

2.3.2 free from all Encumbrances; and

2.3.3 together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made by APGL on or after the Offer Announcement Date.

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

2.4 Offer Condition. The Offer is subject to the Offeror having received, by the Closing Date, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties, will result in the Offeror and its Concert Parties holding such number of Shares carrying more than 90% of the voting rights attributable to all Shares in issue as at the Closing Date (“**Acceptance Condition**”). For the avoidance of doubt, the Shares held by the Offeror’s Concert Parties (including, specifically, LCR and Goldstream), will count towards the Acceptance Condition in determining whether or not the Offer may be declared unconditional.

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

The Offer is not subject to any other condition.

2.6 Warranty. A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to warrant that he sells such Offer Shares as or on behalf of the beneficial owner(s) thereof:

2.6.1 fully paid;

2.6.2 free from all Encumbrances; and

2.6.3 together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto including the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made by APGL on or after the Offer Announcement Date.

3. DETAILS OF THE OFFER

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

- 2.2. **Further Details of the Offer and Procedures for Acceptance.** Further details of the Offer and the procedures for acceptance may be found in section 4, and Appendices 1 and 2 of the Offer Document, an extract of which is set out below.

“4. PROCEDURES FOR ACCEPTANCE

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

...

APPENDIX 1 – DETAILS OF THE OFFER

1. DURATION OF THE OFFER

1.1 First Closing Date. The Offer is open for acceptance by Shareholders for at least 31 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person is released from any obligation incurred thereunder. **Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 24 March 2017 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

1.2 No Obligation to Extend Offer. The Offeror is not obliged to extend the Offer if the condition specified in **Section 2.4** of this Offer Document is not fulfilled by the Closing Date.

1.3 Subsequent Closing Date(s). If the Offer is extended and:

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

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

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

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

1.4.1 *the Offeror may not give a Shut-Off Notice in a competitive situation; and*

1.4.2 *the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.*

For these purposes, a “competitive situation” shall be deemed to arise when either (i) a firm intention to make a competing offer for APGL is announced, whether or not subject to any preconditions; or (ii) the SIC determines that a competitive situation has arisen.

*If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with **Paragraph 4.2 (“Right of Withdrawal of Shareholders”)** of this **Appendix 1**, the Rule 22.6 Period will run from the date of such confirmation or the date on which the Offer would otherwise have closed, whichever is later.*

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

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

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

*provided that the Offeror may extend the Offer beyond such 60-day period with the SIC’s prior consent (the “**Final Day Rule**”).*

1.6 Revision. *The Offeror will not revise the Offer Price. However, pursuant to Rule 20.1 of the Code, if the terms of the Offer are revised, the Offer will remain open for acceptance for at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders who have previously accepted the Offer.”*

2.3. Closing Date. Shareholders should note that as set out in Appendix 1 of the Offer Document, the Offer will close at **5.30 p.m. on 24 March 2017** or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

3. FINANCIAL AND OTHER ASPECTS OF THE OFFER

Section 9 of the Offer Document sets out certain information on the financial and other aspects of the Offer, an extract of which is set out below.

“9. FINANCIAL EVALUATION OF THE OFFER

9.1 Share Price Comparisons. The Offer Price represents the following premia over the prices of the Shares traded on the SGX-ST on the following date and over the following periods⁶ :

Reference Date/Period	Reference Price	Offer Price Premium
<i>Last traded price per Share on 3 February 2017, being the Last Traded Day</i>	<i>S\$1.455</i>	<i>13.4%</i>
<i>VWAP per Share for the one-month period prior to and including the Last Traded Day</i>	<i>S\$1.401</i>	<i>17.8%</i>
<i>VWAP per Share for the three-month period prior to and including the Last Traded Day</i>	<i>S\$1.333</i>	<i>23.8%</i>
<i>VWAP per Share for the six-month period prior to and including the Last Traded Day</i>	<i>S\$1.215</i>	<i>35.8%</i>
<i>VWAP per Share for the 12-month period prior to and including the Last Traded Day</i>	<i>S\$1.034</i>	<i>59.6%</i>
<i>VWAP per Share for the 24-month period prior to and including the Last Traded Day</i>	<i>S\$0.971</i>	<i>70.0%</i>
<i>VWAP per Share for the 60-month period prior to and including the Last Traded Day</i>	<i>S\$1.085</i>	<i>52.0%</i>

9.2 Aggregate Consideration. Assuming full acceptance of the Offer, the aggregate consideration payable for the Offer will amount to S\$48.3 million.

⁶ Source: Bloomberg L.P.”

4. INFORMATION ON THE OFFEROR

Section 5 of the Offer Document sets out certain information on the Offeror, an extract of which is set out below.

“5. THE OFFEROR

The Offeror is a private company limited by shares incorporated in Singapore on 16 December 2016. Its principal activity is that of investment holding. As at the Latest Practicable Date, it has an issued and paid-up share capital of S\$100. SR is the majority shareholder of the Offeror, while AA holds at least 20% of the Offeror. SR and AA are executive directors and controlling shareholders of APGL, and AA is the Group Chief Executive Officer of APGL. As at the Latest Practicable Date, the directors of the Offeror are AA and Lau Yee Lee Eli.

As at the Latest Practicable Date, (i) the Offeror holds 4,089,000 Shares, representing 3.25% of the total number of Shares in issue, (ii) SR holds, indirectly through LCR, 61,927,335 Shares, representing 49.28% of the total number of Shares in issue and (iii) AA holds, indirectly through Goldstream, 34,487,811 Shares, representing 27.44% of the total number of Shares in issue.

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

5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY

The full text of the rationale for the Offer and the Offeror's intentions relating to the Company has been extracted from sections 7 and 8.1 of the Offer Document and is set out below. **Shareholders are advised to read the extract below carefully.**

“7. RATIONALE FOR THE OFFER

7.1 Intention to Delist and Privatisise APGL. *The Offeror intends to make the Offer with a view to delist APGL from the SGX-ST and, ultimately, to privatise APGL.*

7.2 Opportunity for Minority Shareholders to Realise their Investment in the Shares at a Premium. *The closing price of the Shares have not been at or above the Offer Price since December 1999. The Offer Price represents an approximately 13.4% premium above the closing price on the Last Traded Day, and an approximately 17.8%, 23.8%, 35.8% and 59.6% premium above the volume weighted average price (“VWAP”) per Share for the one-month, three-month, six-month and 12-month period prior to and including the Last Traded Day, respectively. In addition, the Offer Price represents an approximately 70.0% and 52.0% premium above the VWAP per Share for the 24-month and 60-month period prior to and including the Last Traded Day, respectively.*

Shareholders who tender their Shares pursuant to the Offer will have an opportunity to realise their investment in APGL for a cash consideration at a significant premium above the historical market share prices, without incurring any brokerage and other trading costs.

7.3 Compliance Costs of Maintaining Listing. *APGL incurs compliance and associated costs in maintaining APGL's listing status. As a non-listed entity, APGL will be able to achieve cost-savings by dispensing with costs associated with complying with SGX-ST listing requirements and other regulatory requirements, as well as management's time and human resources that are committed for such compliance.*

7.4 Low Trading Liquidity.

7.4.1 *The trading liquidity of the Shares has been generally low, as shown in the table below:*

Reference Period	Average daily traded volume³	As a percentage of total Shares in issue⁴	As a percentage of free float⁵
<i>For the one-month period prior to and including the Last Traded Day</i>	62,604	0.050%	0.21%
<i>For the three-month period prior to and including the Last Traded Day</i>	72,633	0.058%	0.25%
<i>For the six-month period prior to and including the Last Traded Day</i>	72,986	0.058%	0.25%
<i>For the 12-month period prior to and including the Last Traded Day</i>	65,203	0.052%	0.22%

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

³ The average daily trading volume is the total trading volume of Shares in the relevant period immediately prior to and including the Last Traded Day divided by the number of Market Days in such period.

⁴ Based on a total of 125,667,324 Shares in issue.

⁵ Based on 29,252,178 Shares, being the 125,667,324 issued Shares in the capital of APGL less (i) the 61,927,335 Shares which are held indirectly by LCR and (ii) the 34,487,811 Shares which are held indirectly by AA through Goldstream.

8. THE OFFEROR'S INTENTIONS IN RELATION TO APGL

8.1 Offeror's Future Plans for APGL. *The Offeror intends for APGL to continue with its existing business and currently has no intention to (i) introduce any major changes to the business of APGL, (ii) re-deploy APGL's fixed assets, or (iii) discontinue the employment of any of the existing employees of APGL and of its subsidiaries, other than in the ordinary course of the business.*

Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to the APGL Group which may present themselves and which it regards to be in the interests of the Offeror."

6. LISTING STATUS AND COMPULSORY ACQUISITION

Sections 8.2 to 8.4 of the Offer Document set out the intentions of the Offeror relating to the listing status of the Company and compulsory acquisition, an extract of which is set out below.

"8. THE OFFEROR'S INTENTIONS IN RELATION TO APGL

...

8.2 Delisting. *The Offeror does not intend to preserve the listing status of APGL.*

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

*Separately, Rule 723 of the Listing Manual requires APGL to ensure that at least 10% of the total number of Shares in issue excluding treasury shares is at all times held by the public ("**Free Float Requirement**"). Rule 724 of the Listing Manual states that if the Free Float Requirement is not met, APGL must, as soon as practicable, announce that fact, and the SGX-ST may allow APGL a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which APGL may be delisted from the SGX-ST.*

In the event that APGL does not meet the Free Float Requirement and the trading of the Shares on the SGX-ST is suspended, the Offeror does not intend to support any action or take any steps to maintain the listing status of APGL or to restore the Free Float Requirement, consistent with its intention to delist APGL from the SGX-ST.

8.3 No Right of Compulsory Acquisition of Shares by the Offeror.

Pursuant to Section 215(1) of the Companies Act, if the Offer is made for all of the Shares and if the Offeror receives valid acceptances of the Offer and/or acquires such number of Offer Shares during the Offer period otherwise than through valid acceptances of the Offer in respect of not less than 90% of the total number of Shares in issue (excluding treasury shares) as at the Closing Date (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer ("**Dissenting Shareholders**") on the same terms as those offered under the Offer.

As the Offer does not extend to the Shares owned, controlled or agreed to be acquired by the Offeror's Concert Parties (including, specifically, LCR and Goldstream), the Offer is not made for all of the Shares. Therefore, the Offeror is not entitled, under Section 215(1) of the Companies Act, to compulsorily acquire any of the Shares of the Dissenting Shareholders who have not accepted the Offer.

8.4 No Put Right by Shareholders.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares as at the Closing Date.

The Offeror is owned by two individuals, SR and AA, and is therefore not a "related corporation" of LCR or Goldstream. As such, the 49.28% and 27.44% shareholdings of LCR and Goldstream, respectively, in APGL will not be aggregated with the Shares held by the Offeror for the purposes of Section 215(3) of the Companies Act and the Offeror will not hold 90% or more of all the outstanding Shares.

Accordingly, Dissenting Shareholders will have no right and are not entitled under Section 215(3) of the Companies Act to require the Offeror to acquire any of their Shares.

7. DIRECTORS' INTERESTS

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

8. ADVICE AND RECOMMENDATIONS

8.1. **General.** Shareholders should read and carefully consider the recommendations of the Recommending Directors and the advice of the IFA to the Recommending Directors dated 7 March 2017, which is set out in Appendix A of this Circular ("**IFA Letter**"), before deciding whether to accept or reject the Offer.

8.2. **Independence of Directors.** The following Directors are Non-Recommending Directors for the reasons as set out below:

- (i) Dr Stephen Riady is an executive director and a controlling shareholder of the Company. As at the Offer Announcement Date, Dr Stephen Riady held, indirectly through Lippo China Resources Limited, 61,927,335 Shares in the Company, representing 49.28% of the total number of Shares in issue. Dr Stephen Riady is the majority shareholder of the Offeror.

- (ii) Dr Andy Adhiwana is the Group Chief Executive Officer, an executive director and a controlling shareholder of the Company. As at the Offer Announcement Date, Dr Andy Adhiwana held, indirectly through Goldstream Capital Limited, 34,487,811 Shares in the Company, representing 27.44% of the total number of Shares in issue. Dr Andy Adhiwana is a director of the Offeror and holds at least 20% of the shares in the Offeror.
- (iii) Mr Ronald Issen is a non-executive director of the Company. He is also a director of Lippo Realty Holdings Limited, a company in the Lippo group of companies which Dr Stephen Riady and his family members have substantial interest in.

Accordingly, each of the Non-Recommendating Directors is a party presumed to be acting in concert with the Offeror under the Code and would face a conflict of interest, or may reasonably be perceived to face a conflict of interest, that would render each of them inappropriate to join the Recommendating Directors in making a recommendation on the Offer to the Shareholders.

The SIC has ruled that the Non-Recommendating Directors are exempted from making a recommendation to Shareholders in respect of the Offer. The Non-Recommendating Directors must, nonetheless, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

All of the Recommendating Directors consider themselves independent for the purposes of making a recommendation on the Offer. For completeness, the shareholdings of the Recommendating Directors (if any) in the Company are as set out in Appendix B of this Circular.

8.3. Advice of the IFA to the Recommendating Directors

- (a) **IFA.** MSCF has been appointed as the independent financial adviser to advise the Recommendating Directors in respect of the Offer. Shareholders should consider carefully the recommendation of the Recommendating Directors and the advice of MSCF to the Recommendating Directors before deciding whether to accept or reject the Offer. MSCF's advice is set out in its letter dated 7 March 2017, which is set out in Appendix A of this Circular.
- (b) **Factors Taken into Consideration by MSCF.** In arriving at its recommendation, MSCF has taken into account several key considerations, set forth in Paragraph 7 of the IFA Letter. Shareholders should read Paragraph 7 of the IFA Letter in conjunction with, and in the context of, the full text of the IFA Letter.
- (c) **Advice of MSCF.** After having regard to the considerations set out in the IFA Letter, an extract of which is set out below, and based on the circumstances of the Company and the information as at the Latest Practicable Date, MSCF has made certain recommendations to the Recommendating Directors. Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise defined or the context otherwise requires, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

"8. OPINION

In arriving at our opinion in respect of the Offer, we have taken into account the following key considerations (which should be read in conjunction with, and in the context of, the full text of this IFA Letter):

- (a) *the Offer Price represents premiums of 60.80%, 35.63%, 23.75% and 17.74% over the VWAP of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively;*
- (b) *the Offer Price represents a premium of 13.40% over the last traded price on the Last Traded Day;*

- (c) *the Offer Price represents a discount of 0.07% and 0.30% to the VWAP of the Shares for the period from the Offer Announcement Date to the Latest Practicable Date and the last traded price on the Latest Practicable Date respectively;*
- (d) *the closing price of the Shares have not traded at or above the Offer Price for the last three years prior to the Last Traded Day and there is no assurance that the price of the Shares will remain at current levels after the close of the Offer;*
- (e) *the average daily trading volume of the Shares over all the reference periods prior to the Offer Announcement Date has been low, representing between 0.16% and 0.26% of the free float of the Company respectively. The average daily trading volume of the Shares (excluding the acquisition of Shares by Dr Andy Adhiwana) represent only 0.15% of the free float of the Company for the one year prior to the Offer Announcement Date;*
- (f) *the Group reported a profit before tax of S\$11.9 million in FY2016 mainly attributable to the Group's rationalisation exercise to streamline its non-performing businesses in food retail and food court segments and the absence of operating losses from the closure of non-performing businesses in FY2015. Shareholders should note that the financial performance of the Group will depend on the deployment of the Group's resources taking into consideration the significant capital expenditures required and the gestation period relating to investments in the food retail and food court segments;*
- (g) *the Offer Price represents a premium of 23.6% and 57.7% over the NAV per Share and NTA per Share respectively and a premium of 16.5% and 46.5% over the RNAV per Share and RNTA per Share respectively;*
- (h) *on an ex-cash basis, the ex-cash Offer Price represents a premium of 49.7% and 175.1% over the ex-cash NAV per Share and ex-cash NTA per Share respectively and a premium of 32.7% and 123.3% over the ex-cash RNAV per Share and ex-cash RNTA per Share respectively;*
- (i) *the P/NAV implied by the Offer Price is greater than all the trailing P/NAV multiples of the Shares since 1 January 2014 to the Last Traded Day;*
- (j) *the P/E and EV/EBITDA ratios of the Company are within range but lower than the mean and median ratios of the Comparable Companies;*
- (k) *the P/NAV ratio of the Company is within range and higher than the mean and median of the P/NAV ratios of the Comparable Companies;*
- (l) *the P/RNAV ratio of the Company is within range and higher than the mean and median of the P/NAV ratios of the Comparable Companies;*
- (m) *the P/NTA ratio of the Company is within range and higher than the mean and median of the P/NAV ratios of the Comparable Companies;*
- (n) *the P/RNTA ratio of the Company is within range and higher than the mean and median of the P/NAV ratios of the Comparable Companies;*
- (o) *the premium of the Offer Price over the last transacted price, VWAP for the 1-month and 3-month period are within range but lower than the corresponding mean and median premia of the Successful Privatisation Transactions;*

- (p) *the premium of the Offer Price over the VWAP for the 6-month period is within range, higher than the corresponding median but lower than the corresponding mean of the Successful Privatisation Transactions;*
- (q) *the premium of the Offer Price over the VWAP for the 12-month period is within range and higher than the corresponding mean and median premia of the Successful Privatisation Transactions;*
- (r) *the P/NAV ratio is within range, higher than the corresponding median but below the corresponding mean of the offer price over NAV ratios of the Successful Privatisation Transactions;*
- (s) *the P/RNAV ratio is within range, higher than the corresponding median but lower than the corresponding mean of the offer price over NAV ratios of the Successful Privatisation Transactions;*
- (t) *the Company did not declare any dividends for FY2015 and FY2016;*
- (u) *other relevant consideration as set out in Section 7.7 of this IFA Letter, as follows:*
 - (i) *no revision in the Offer Price;*
 - (ii) *no competing offer from any third party;*
 - (iii) *no compulsory acquisition;*
 - (iv) *Dissenting Shareholders have no right and are not entitled to require the Offeror to acquire any of their Shares;*
 - (v) *Shareholders who have not accepted the Offer may face difficulties selling their Shares if the Company is delisted;*
 - (vi) *the Offeror already possesses statutory control of the Company; and*
 - (vii) *the Offeror intends for the Company to continue with its existing business.*

After taking into account the above factors, we are of the opinion that based on information available as at the Latest Practicable Date, on balance, the Offer is fair and reasonable.

Accordingly, we advise the Recommending Directors to recommend to the Shareholders either ACCEPT the Offer or sell their Shares in the open market if they can obtain a price higher than the Offer Price after deducting transaction and related expenses.

The Recommending Directors should also note that trading of the Shares are subject to, inter alia, the performance and prospects of the Group, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, our opinion on the Offer does not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review.

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

- 8.4. **Recommendations of the Recommending Directors.** The Recommending Directors, having considered carefully the terms of the Offer and the advice given by MSCF in the IFA Letter, concur with the advice of the IFA and recommendation thereon in respect of the Offer and accordingly, recommend that Shareholders either ACCEPT THE OFFER or sell their Shares in the open market if they can obtain a price higher than the Offer Price after deducting transaction and related expenses.
- 8.5. **No Regard to Specific Objectives.** In rendering the advice and the recommendations above, both the IFA and the Recommending Directors have not had regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Recommending Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

SHAREHOLDERS ARE ADVISED TO READ THE FULL TEXT OF THE IFA LETTER WHICH IS SET OUT IN APPENDIX A OF THIS CIRCULAR CAREFULLY.

9. OVERSEAS SHAREHOLDERS

- 9.1. **Availability of Offer.** The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register or in the Depository Register (as the case may be), being the Overseas Shareholders, may be affected by the laws of the relevant overseas jurisdiction.

Overseas Shareholders should refer to section 12 of the Offer Document, an extract of which is set out below.

"12. OVERSEAS SHAREHOLDERS

12.1 Overseas Shareholders. *The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP (each, an "Overseas Shareholder") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable requirements in their own jurisdictions. For the avoidance of doubt, the Offer is made to all Shareholders (other than the Concert Parties) including those to whom this Offer Document and the relevant Acceptance Forms have not been, or will not be, sent.*

12.2 Copies of Offer Document. *Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) obtain copies of this Offer Document, the relevant Acceptance Forms and any related documents, during normal business hours up to the Closing Date from:*

12.2.1 *the Registrar (if he is a Registered Shareholder) at 112 Robinson Road #05-01, Singapore 068902; or*

12.2.2 *CDP (if he is a Depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.*

Alternatively, an Overseas Shareholder may (subject to compliance with applicable laws) write to:

- (i) M & C Services Private Limited (if he is a Registered Shareholder) at 112 Robinson Road #05-01, Singapore 068902; or*
- (ii) The Central Depository (Pte) Limited (if he is a Depositor) at Robinson Road Post Office P.O. Box 1984, Singapore 903934,*

to request for this Offer Document, the relevant Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three Market Days prior to the Closing Date.

12.3 Overseas Jurisdiction. *It is the responsibility of any Overseas Shareholder who wishes to (i) request for this Offer Document, the relevant Acceptance Forms and any related documents and/or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions in that connection, including the obtaining of any governmental or other consent which may be required to transfer the Shares, or compliance with other necessary formalities or legal requirements. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including RHBSEC) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf (including RHBSEC) may be required to pay. The Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer. In (i) requesting for this Offer Document, the relevant Acceptance Forms and any related documents and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror and RHBSEC that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.*

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

- 9.2. **Copies of Circular.** This Circular may not be sent to Overseas Shareholders due to potential restrictions on sending such documents to the relevant overseas jurisdictions. Any affected Overseas Shareholder may, nevertheless, obtain copies of this Circular during normal business hours up to the Closing Date, from the offices of the Registrar at 112 Robinson Road #05-01 Singapore 068902, download a copy of this Circular from the website of the SGX-ST at www.sgx.com, or make a request to the Registrar for this Circular to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.

10. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

Section 13.2 of the Offer Document sets out information pertaining to CPFIS Investors and SRS Investors, an extract of which is set out below.

“13. GENERAL

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

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. Subject to the Offer becoming or being declared to be unconditional as to acceptances, CPFIS Investors and SRS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their respective CPF investment accounts and SRS investment accounts.”

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who **wish to accept the Offer** must do so not later than the Closing Date or such later date(s) as may be announced from time to time by or on behalf of the Offeror, abiding by the procedures for the acceptance of the Offer as set out in Appendix 2 of the Offer Document, and in the accompanying FAA and/or FAT.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror, by CDP (in respect of the FAA) or the Registrar (in respect of the FAT), as the case may be, not later than the Closing Date or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

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

12. CONSENTS

MSCF, named as the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the IFA Letter in Appendix A of this Circular and the references to its name in the form and context in which it appears in this Circular.

AVA Associates Limited, named as the valuer to assist the Company in its preparation of a revalued balance sheet, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the summary of its valuation report in Appendix G of this Circular and the references to its name in the form and context in which it appears in this Circular.

Ernst & Young LLP, named as the auditors of the Company, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of the independent auditor's report in relation to the audited financial statements of the Group for FY2015 and the references to its name in the form and context in which it appears in this Circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Company's registered office at 50 Collyer Quay #06-03 OUE Bayfront Singapore 049321 during normal business hours from the date of this Circular up to and including the date of the Closing Date:-

- (a) the Constitution of the Company;
- (b) the annual reports of the Company for FY2013, FY2014 and FY2015;
- (c) the unaudited financial information of the Group for FY2016 as set out in Appendix E of this Circular;
- (d) the valuation report as set out in Appendix G of this Circular;
- (e) the IFA Letter as set out in Appendix A of this Circular; and
- (f) the letters of consent referred to in section 12 of the Letter to Shareholders.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Save for (a) the IFA Letter (for which the IFA takes responsibility), (b) the information extracted from the Offer Announcement and the Offer Document, and (c) the information relating to the Offeror, the Directors (including any who may have delegated detailed supervision of this Circular) jointly and severally accept responsibility for the accuracy of information contained in this Circular, having made all reasonable inquiries to ensure that, to the best of their knowledge, the facts stated and opinions expressed in this Circular are fair and accurate and that no material facts have been omitted the omission of which would make any statement in this Circular misleading.

Where any information in this Circular (other than the IFA Letter for which the IFA takes responsibility) has been extracted or reproduced from the Offer Document or from published or publicly available sources, 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, reflected or reproduced in this Circular.

15. ADDITIONAL INFORMATION

The attention of the Shareholders is also drawn to the Appendices which form part of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
AURIC PACIFIC GROUP LIMITED

Mr Albert Saychuan Cheok
Independent Non-Executive Chairman

APPENDIX A – LETTER FROM THE IFA TO THE RECOMMENDING DIRECTORS IN RESPECT OF THE OFFER

LETTER FROM MS CORPORATE FINANCE PTE. LTD. TO THE RECOMMENDING DIRECTORS

MS Corporate Finance Pte. Ltd.
(Company Registration No. 200305439E)
10 Anson Road
#29-01 International Plaza
Singapore 079903

7 March 2017

To: The Recommending Directors
Auric Pacific Group Limited
50 Collyer Quay
#06-03 OUE Bayfront
Singapore 049321

Dear Sirs,

VOLUNTARY CONDITIONAL CASH OFFER BY RHB SECURITIES SINGAPORE PTE. LTD. FOR AND ON BEHALF OF SILVER CREEK CAPITAL PTE. LTD. (THE “OFFEROR”) TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF AURIC PACIFIC GROUP LIMITED (THE “COMPANY”) OTHER THAN THOSE ALREADY HELD BY THE OFFEROR

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meanings herein.

1. INTRODUCTION

On 7 February 2017 (the “**Offer Announcement Date**”), RHB Securities Singapore Pte. Ltd. announced, for and on behalf of Silver Creek Capital Pte. Ltd. (the “**Offeror**”), that the Offeror intends to make a voluntary conditional cash offer (the “**Offer**”) for all the issued and paid-up ordinary shares in the capital of Auric Pacific Group Limited (the “**Company**”), other than those which are owned, controlled or agreed to be acquired by the Offeror and parties acting in concert or deemed to be acting in concert with the Offeror in relation to the Offer, with a view to delist the Company from the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

MS Corporate Finance Pte. Ltd. (“**MSCF**”) has been appointed as the independent financial adviser (“**IFA**”) to advise the Recommending Directors in respect of the Offer. This letter sets out, *inter alia*, our views and evaluation of the financial terms of the Offer and our recommendation thereon (“**IFA Letter**”), and will form part of the Circular issued by the Company providing, *inter alia*, details of the Offer and the recommendation of the Recommending Directors.

2. TERMS OF REFERENCE

MSCF has been appointed to advise the Recommending Directors in respect of the Offer. Specifically, MSCF will advise the Recommending Directors on the fairness and reasonableness of the Offer Price and our recommendation thereon.

We have not been involved in any aspect of the negotiations concerning the Offer. Our terms of reference is to form a view as to the fairness and reasonableness of the Offer and our recommendation thereon. It does not require us to evaluate or comment on the strategic, legal, commercial and financial risks and/or merits of the Offer or the future prospects or value of the Company and its subsidiaries (the “**Group**”) and we have not made such evaluation or comment. Such evaluation or comment, if any, remains the responsibility of the Board and the management of the Company (“**Management**”), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter. We do not, by this IFA Letter, warrant the merits of the Offer, other than to express an opinion for the purposes as stated above.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Group or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Group. We have not obtained from the Company any projection of the future performance including financial performance of the Group, and further, we did not conduct discussions with the Management on, and did not have access to, any business plan and financial projections of the Group. We also do not express an opinion herein as to the prices at which the Shares may trade upon completion of the Offer or the future value, financial performance or condition of the Company or the Group after completion of the Offer.

In the course of our evaluation, we have held discussion with the Board, the Management and/or their professional advisers and have examined and relied to a considerable extent on publicly available information collated by us as well as information and representations, whether written or verbal, provided to us by the Board, the Management and/or their professional advisers, including information in the Circular. Whilst care has been exercised in reviewing the information or representations we have relied upon, we have not independently verified such information or representations and accordingly cannot and do not warrant or accept responsibility for the accuracy, completeness or adequacy of these information or representations. We have, however made reasonable enquiries and exercised our judgement (as we deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy of such information or representations which we have relied on.

We have been furnished with the Valuation Report prepared by AVA Associates Limited, the independent valuer appointed by the Company to assess the revalued net asset value of the Group as at 31 December 2016. With respect to such a valuation report, we are not experts and do not hold ourselves to be experts and have relied upon the Valuation Report. The Valuation Report is set out in Appendix G of the Circular.

We have also relied upon the responsibility statement of the Board of Directors (including those who may have delegated detail supervision of the Circular) that they collectively and individually accept full responsibility for the accuracy of the information given in the Circular and that having made all reasonable enquiries and to the best of their knowledge and belief, to ensure that the facts stated and opinions expressed in the Circular are fair and accurate and that no material facts have been omitted which would make any statement in the Circular misleading.

Our opinion, as set out in this letter, is based upon market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date and may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or factors or assumptions contained herein.

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

The Company has been separately advised by its own advisers in the preparation of the Circular other than this IFA Letter. We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular other than this IFA Letter. Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular other than this IFA Letter.

We have prepared this IFA Letter for the use of the Recommending Directors in connection with their consideration of the Offer and their advice to the Shareholders arising thereof. Our opinion in relation to the Offer, as set out in Section 8 of this IFA Letter, should be considered in the context of the entirety of this IFA Letter and the Circular.

3. THE OFFER

Shareholders should have received a copy of the Offer Document, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of the Offer Document. Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.

3.1 Offer Price

The offer price for each Offer Share is S\$1.65 in cash (the “**Offer Price**”).

3.2 No revision of Offer Price

The Offeror will not revise the Offer Price.

3.3 Offer Shares

The Offer will be extended to all the Offer Shares. The Offer does not extend to the Shares owned, controlled or agreed to be acquired by the Offeror or its Concert Parties, including the Shares held by Lippo China Resources Limited (“**LCR**”) and Goldstream Capital Limited (“**Goldstream**”), representing 49.28% and 27.44% respectively as at the Offer Announcement Date.

3.4 Rights and encumbrances

The Offer Shares will be acquired (i) fully paid, (ii) free from all claims, charges, liens, mortgages, encumbrances, hypothecations, retention of title, power of sale, equity, options, rights of pre-emption, rights of first refusal or other third party rights or interests of any nature whatsoever (“**Encumbrances**”), and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions and return of capital (if any) which may be announced, declared, paid or made by the Company, on or after the Offer Announcement Date.

If any dividends, rights, other distributions or return of capital is announced, declared, paid or made by the Company on or after the Offer Announcement Date, and the Offeror is not entitled to receive such dividends, rights, other distributions or return of capital in full in respect of any Offer Share tendered in acceptance of the Offer, the Offer Price payable in respect of such Offer Share will be reduced by the amount of such dividends, rights, other distributions or return of capital.

3.4 Condition

The Offer will be subject to the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties, will result in the Offeror and its Concert Parties holding such number of Shares carrying more than 90% of the voting rights attributable to all Shares in issue as at the close of the Offer (“**Acceptance Condition**”). For the avoidance of doubt, the Shares held by the Offeror’s Concert Parties (including, specifically, LCR and Goldstream), will count towards the Acceptance Condition in determining whether or not the Offer may be declared unconditional.

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

The Offer is not subject to any other condition.

4. INFORMATION ON THE OFFEROR

The Offeror is a private company limited by shares incorporated in Singapore on 16 December 2016. Its principal activity is that of investment holding. Dr. Stephen Riady is the majority shareholder of the Offeror, while Dr. Andy Adhiwana holds at least 20% of the Offeror. Dr. Stephen Riady and Dr. Andy Adhiwana are executive directors and controlling shareholders of the Company, and Dr. Andy Adhiwana is the Group Chief Executive Officer of the Company.

5. INFORMATION ON THE COMPANY

The Company was incorporated on 20 August 1988 in Singapore and is listed on the Mainboard of the SGX-ST.

The Company's principal activities are in investment holding, involving a diverse range of businesses, including the distribution of fast-moving consumer goods, food manufacturing and retailing, restaurant as well as food court management.

6. RATIONALE FOR THE OFFER

The full text of the rationale for the Offer has been extracted from Section 7 of the Offer Document and is set out in italics below:

“7.1 Intention to Delist and Privatisise APGL. *The Offeror intends to make the Offer with a view to delist APGL from the SGX-ST and, ultimately, to privatise APGL.*

7.2 Opportunity for Minority Shareholders to Realise their Investment in the Shares at a Premium. *The closing price of the Shares have not been at or above the Offer Price since December 1999. The Offer Price represents an approximately 13.4% premium above the closing price on the Last Traded Day, and an approximately 17.8%, 23.8%, 35.8% and 59.6% premium above the volume weighted average price (“VWAP”) per Share for the one-month, three-month, six-month and 12-month period prior to and including the Last Traded Day, respectively. In addition, the Offer Price represents an approximately 70.0% and 52.0% premium above the VWAP per Share for the 24-month and 60-month period prior to and including the Last Traded Day, respectively.*

Shareholders who tender their Shares pursuant to the Offer will have an opportunity to realise their investment in APGL for a cash consideration at a significant premium above the historical market share prices, without incurring any brokerage and other trading costs.

7.3 Compliance Costs of Maintaining Listing. *APGL incurs compliance and associated costs in maintaining APGL's listing status. As a non-listed entity, APGL will be able to achieve cost-savings by dispensing with costs associated with complying with SGX-ST listing requirements and other regulatory requirements, as well as management's time and human resources that are committed for such compliance.*

7.4 Low Trading Liquidity.

7.4.1 *The trading liquidity of the Shares has been generally low, as shown in the table below:*

Reference Period	Average daily traded volume³	As a percentage of total Shares in issue⁴	As a percentage of free float⁵
<i>For the one-month period prior to and including the Last Trading Day</i>	62,604	0.050%	0.21%
<i>For the three-month period prior to and including the Last Trading Day</i>	72,633	0.058%	0.25%
<i>For the six-month period prior to and including the Last Trading Day</i>	72,986	0.058%	0.25%
<i>For the 12-month period prior to and including the Last Trading Day</i>	65,203	0.052%	0.22%

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

³ *The average daily trading volume is the total trading volume of Shares in the relevant period immediately prior to and including the Last Traded Day divided by the number of Market Days in such period.*

⁴ *Based on a total of 125,667,324 Shares in issue.*

⁵ *Based on 29,252,178 Shares, being the 125,667,324 issued Shares in the capital of APGL less (i) the 61,927,335 Shares which are held indirectly by LCR and (ii) the 34,487,811 Shares which are held indirectly by AA through Goldstream.”*

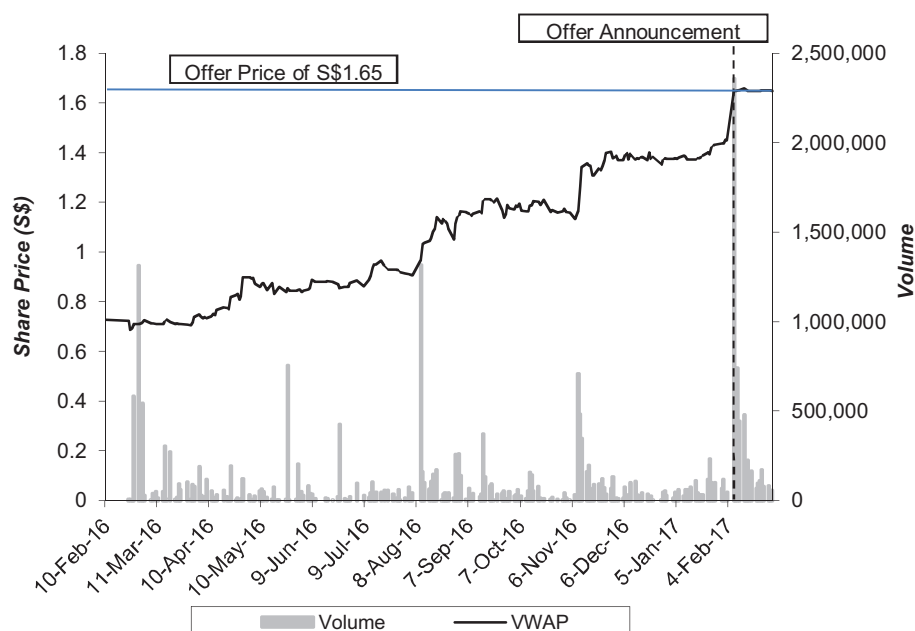
7. EVALUATION OF THE OFFER

In our assessment of the financial terms of the Offer, we have considered the following which we consider to be pertinent and to have a significant bearing on our assessment of the Offer:

- 7.1 Historical market price and trading activity of the Shares;
- 7.2 Historical performance of the Group;
- 7.3 Asset-based valuation of the Group;
- 7.4 Valuation statistics of selected companies broadly comparable to the Group;
- 7.5 Comparison with successful privatisation/delisting of companies listed on the SGX-ST;
- 7.6 Dividend track record of the Company; and
- 7.7 Other relevant considerations.

7.1 Historical market price and trading activity of the Shares

We set out below the Company's Share price and volume chart based on the daily volume weighted average price ("VWAP") of the Shares and daily volume traded for the 12-month period prior to the 3 February 2017 (the "**Last Traded Day**"), being the last full trading day prior to the Offer Announcement, and ending on the Latest Practicable Date.



Source: Bloomberg L.P.

As set out above, we note that the Shares had traded within the range of S\$0.71 and S\$1.455 for the 12-month period before the Last Traded Day.

We set out the following key events as announced by the Company:

Date	Event
25 February 2016	The Company announced its full year unaudited financial results for the year ended 31 December 2015.
28 April 2016	The Company announced its first quarter unaudited financial results for the 3-month period ended 31 March 2016.
9 May 2016	Dr Andy Adhiwana was appointed as Group Chief Executive Officer of the Company with effect from 9 May 2016.
9 August 2016	The Company announced its half year unaudited financial results for the 6-month period ended 30 June 2016.
8 November 2016	The Company announced its third quarter unaudited financial results for the 9-month period ended 30 September 2016.
7 February 2017	Offer Announcement
20 February 2017	The Company announced its full year unaudited financial results for the year ended 31 December 2016.

Source: The Company's SGX-ST announcements.

We have tabulated below selected statistical information on the share price performance and trading liquidity of the Shares from 10 February 2016, being 12-month period prior to the Last Traded Day, up to the Latest Practicable Date:

Reference period	Average daily volume ⁽¹⁾	Daily trading volume as percentage of free float (%)	Lowest transacted price (S\$)	Highest transacted price (S\$)	VWAP (S\$)	Premium/ (Discount) of Offer Price over/(to) VWAP (%)
<u>Prior to the Last Traded Day</u>						
1 year before	68,060	0.23 ⁽²⁾	0.710	1.455	1.026	60.80
6 months before	76,049	0.26 ⁽²⁾	1.010	1.455	1.217	35.63
3 months before	76,076	0.26 ⁽²⁾	1.170	1.455	1.333	23.75
1 month before	66,043	0.23 ⁽²⁾	1.365	1.455	1.401	17.74
Last traded price on 3 February 2017	47,600	0.16 ⁽²⁾	1.455	1.455	1.451	13.70
<u>After Offer Announcement Date and up to the Latest Practicable Date</u>						
Between the Offer Announcement Date and up to the Latest Practicable Date	353,518	1.45 ⁽³⁾	1.650	1.655	1.651	(0.07)
On the Latest Practicable Date	57,800	0.24 ⁽³⁾	1.655	1.655	1.651	(0.03)

Source: Bloomberg L.P.

Notes

- (1) The average daily volume of the Shares is calculated based on the total volume of Shares traded during the period divided by the number of market days during that period.
- (2) Free float refers to the Shares other than those held by the Directors and the substantial shareholders of the Company, and amounts to 29,252,178 Shares, representing approximately 23.3% of the issued Shares as at the Last Traded Day.
- (3) Free float refers to the Shares other than those held by the Directors and the substantial shareholders of the Company, and amounts to 24,346,078 Shares, representing approximately 19.4% of the issued Shares as at the Latest Practicable Date.

Based on the above table, we note that the Offer Price:

- (i) represents a premium of approximately 60.80%, 35.63%, 23.75% and 17.74% over the VWAP of the Shares over the 1 year, 6-month period, 3-month period and 1-month period prior to the Offer Announcement Date respectively;
- (ii) represents a premium of approximately 13.40% over the last traded price of the Shares of S\$1.455 on the Last Traded Day;
- (iii) represents a discount of approximately 0.07% to the VWAP of the Shares for the period from the Offer Announcement Date to the Latest Practicable Date; and
- (iv) represents a discount of approximately 0.30% to the last traded price of S\$1.655 of the Shares on the Latest Practicable Date.

Since the Offer Announcement Date, the Shares have traded at levels close to the Offer Price. We further note that the closing price of the Shares have not traded at or above the Offer Price for the last three years prior to the Last Traded Day. We note that in the event the Offer does not become or is not declared to be unconditional in all respects in accordance with the terms, the Offer will lapse and there is no assurance that the price of the Shares will remain at current levels after the close of the Offer.

We observed the following with regard to the trading volume of the Shares:

- (i) trading liquidity of the Shares over all the reference periods prior to the Offer Announcement Date has generally been low at an average daily trading volume of the Shares of between 47,600 and 76,076 representing between 0.16% and 0.26% of the free float of the Company and between 0.04% and 0.06% of the total number of Shares of the Company.

Further, the trading volume was largely attributed to the acquisition of the Shares by Dr Andy Adhiwana in the open market. For illustration purposes, the average daily trading volume of the Shares (excluding the acquisition of Shares by Dr Andy Adhiwana) represent only 0.15% of the free float of the Company and 0.03% of the total number of Shares of the Company for the one year prior to the Offer Announcement Date.

The Offer therefore provides Shareholders with an opportunity to realise their investment in the Shares at a premium over the historical traded price of the Shares over the last 12 months prior to the Offer Announcement Date which may not otherwise be readily available to the Shareholders given the low trading liquidity of the Shares;

- (ii) the average daily trading volume of the Shares was 353,518 for the period between the Offer Announcement Date and up to the Latest Practicable Date, representing 1.45% of the free float of the Company; and
- (iii) as at the Latest Practicable Date, the trading volume of the Shares was 57,800, representing 0.24% of the free float of the Company.

Shareholders should note that the past trading performance of the Shares should not, in any way, be relied upon as an indication or an assurance of its future trading performance.

7.2 Historical performance of the Group

We set out below the financial performance and position of the Group for FY2014, FY2015 and FY2016 based on the audited financial statements of the Group for FY2014, FY2015 and the unaudited financial statement for FY2016:

Statement of Comprehensive Income	Audited FY2014 S\$'000 (Restated)	Audited FY2015 S\$'000 (Restated)	Unaudited FY2016 S\$'000
Revenue			
- Wholesale and distribution	238,755	242,898	246,033
- Manufacturing	46,799	50,562	56,440
- Food retail	76,471	78,608	68,789
- Food court	62,088	60,442	52,655
- Other investments	299	373	67
	<u>424,412</u>	<u>432,883</u>	<u>423,984</u>
Cost of sales	(244,180)	(249,736)	(238,774)
Gross profit	<u>180,232</u>	<u>183,147</u>	<u>185,210</u>
Other revenue	3,277	5,356	5,718
Selling and marketing expenses ⁽¹⁾	(79,295)	(77,729)	(71,718)
General and administration expenses ⁽¹⁾	(30,349)	(34,727)	(32,965)
Finance costs	(371)	(308)	(123)
Other operating expenses ⁽¹⁾⁽²⁾	(73,621)	(121,497)	(74,794)
Share of results of associated/joint venture companies	766	736	557
Profit/(Loss) before income tax ⁽²⁾	<u>639</u>	<u>(45,022)</u>	<u>11,885</u>
Income tax (expense)/credit ⁽²⁾	(464)	4,141	(4,579)
Profit/(Loss) for the year	<u>175</u>	<u>(40,881)</u>	<u>7,306</u>

Source: Annual reports for FY2014, FY2015 and full year results announcement for FY2016 of the Company.

Notes

- (1) Exceptional items disclosed in FY2014 and FY2015 are now presented under the operating expenses in accordance with the nature of expenses.
- (2) In reference to 2016 IFRS Interpretations Committee (IFRIC) agenda decision, the Group has reassessed and determined the carrying amount of the indefinite life intangible assets are to be recovered through use than through sale. Deferred tax on indefinite life intangible assets is recognised and applied retrospectively.

We note the following:

FY2015 vs FY2014

- (a) Revenue increased from S\$424.4 million in FY2014 to S\$432.9 million in FY2015 due to the higher revenue generated from the wholesale and distribution segment of S\$4.1 million, the manufacturing segment of S\$3.8 million and the food retail segment of S\$2.2 million, and offset by lower revenue from the food court segment of S\$1.6 million. The higher revenue from the wholesale and distribution segment was due to the inception of new agencies. The increase in revenue from the manufacturing segment was mainly due to the successful launch of new products and increase in sales of the key Sunshine products. Despite the closure of all the Delifrance outlets in Malaysia, the food retail segment achieved higher revenue mainly due to increase in sales generated by the retail outlets in Hong Kong. The food court segment reported lower revenue due to the closure of under-performing restaurants and outlets.
- (b) The Group reported a loss before tax of S\$45.0 million mainly due to allowances for impairment of property, plant and equipment, intangible assets and accrual for closure costs of S\$41.2 million relating to the non-performing restaurants and retail outlets in the food retail and food court segments.

FY2016 vs FY2015

- (c) Revenue decreased from S\$432.9 million in FY2015 to S\$424.0 million in FY2016 due to lower revenue from the food retail segment of S\$9.8 million and the food court segment of S\$7.8 million, offset by the higher revenue generated from the wholesale and distribution segment of S\$3.1 million and the manufacturing segment of S\$5.9 million. The reduction in sales in the food retail and food court segments was due mainly to the closure of non-performing outlets, food courts and restaurants in Singapore, Hong Kong and China.
- (d) The Group reported a profit before tax of S\$11.9 million mainly attributable to the Group's rationalisation exercise to streamline its non-performing businesses in the food retail and food court segments and investments in FY2015 and the absence of operating losses from closure of non-performing businesses.

We understand from the Company that overall operating expenses, including depreciation, were suppressed due to the management's deliberate plan to withhold any expansion till the Group's fundamentals are rectified and put in place.

Statement of Financial Position	Audited As at 31 December 2014 S\$'000 (Restated)	Audited As at 31 December 2015 S\$'000 (Restated)	Unaudited As at 31 December 2016 S\$'000
Current assets	176,829	170,221	210,296
Non-current assets ⁽¹⁾	148,309	91,369	69,460
Total assets	325,138	261,590	279,756
Current liabilities	99,341	90,568	103,328
Non-current liabilities ⁽¹⁾	17,047	10,160	7,897
Total liabilities	116,388	100,728	111,225
Net current assets	77,488	79,653	106,968
Net assets	208,750	160,862	168,531

Source: Annual reports for FY2014, FY2015 and full year results announcement for FY2016 of the Company.

Note

- (1) In reference to 2016 IFRS Interpretations Committee (IFRIC) agenda decision, the Group has reassessed and determined the carrying amount of the indefinite life intangible assets are to be recovered through use than through sale. Deferred tax on indefinite life intangible assets is recognised and applied retrospectively.

We note the following:

- (a) The net asset position deteriorated from S\$208.8 million as at 31 December 2014 to S\$160.9 million as at 31 December 2015 due mainly to the losses incurred in FY2015.
- (b) There was no significant change to the net current assets from S\$77.5 million as at 31 December 2014 to S\$79.7 million as at 31 December 2015 as the losses in FY2015 related mainly to allowances for impairment of non-current assets, i.e., property, plant and equipment and intangible assets.
- (c) The Group reported higher net assets of S\$168.5 million as at 31 December 2016 as compared to S\$160.9 million as at 31 December 2015. The increase was due mainly to the profit generated in FY2016.
- (d) Net current assets increased from S\$79.7 million as at 31 December 2015 to S\$107.0 million as at 31 December 2016 due mainly to higher cash generated from operating activities.

7.3 Asset-based valuation of the Group

7.3.1 NAV and NTA analysis

Based on the Group's unaudited financial statements as at 31 December 2016, the net asset value ("**NAV**") attributable to Shareholders is approximately S\$167.8 million and its NAV per Share is S\$1.335. The Offer Price is at a premium of 23.6% over the NAV per Share, or a Price-to-NAV ("**P/NAV**") ratio of 1.24 times.

We note that the Group has intangible assets of S\$36.3 million as at 31 December 2016. Accordingly, the unaudited net tangible asset (“NTA”) attributable to Shareholders is approximately S\$131.5 million and its NTA per Share is S\$1.046. The Offer Price is at a premium of 57.7% over the NTA per Share, or a Price-to-NTA (“P/NTA”) ratio of 1.58 times.

We have also considered the NAV and the NTA on an ex-cash basis, which assumes the deduction of cash and cash equivalents from the NAV and the NTA. As at 31 December 2016, the Group had cash and cash equivalents of S\$88.1 million, which was equivalent to a cash per Share of S\$0.701 and an ex-cash NAV (that is, NAV less cash) per Share of approximately S\$0.634 and ex-cash NTA per Share of approximately S\$0.345. The ex-cash Offer Price of S\$0.949 (being the Offer Price less the cash per Share) is at a premium of 49.7% and 175.1% over the ex-cash NAV per Share and the ex-cash NTA per Share respectively.

7.3.2 RNAV and RNTA analysis

In our evaluation of the Offer Price, we have also considered whether there are any assets which may be valued at an amount that is materially different from what was recorded in the unaudited balance sheet of the Group as at 31 December 2016. We understand that the Company has commissioned AVA Associates Limited (the “Valuer”) to conduct an independent valuation of and review of the balance sheet items to calculate the revalued net asset value of the Group’s assets as at 31 December 2016. For more details of the independent valuation conducted by the Valuer, please refer to the Valuation Report as set out in Appendix G of the Circular.

The following has been extracted from the Valuation Report and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meaning as those defined in the Valuation Report.

“Scope of Work

Following our discussions with APGL, AVA has been engaged to assist the Group in its preparation of a revalued balance sheet, namely to arrive at the RNAV of the Group, allowing the Board of Directors of APGL (the “Board”) to assess the Cash Offer. Our work consisted of the following items:

- *Review of balance sheet items as at Valuation Date as to the reasonableness of the stated values in arriving at a RNAV, including:*
 - *Valuation of the Property, Plant and Equipment;*
 - *Valuation of the Investment in a joint venture company;*
 - *Review and opine on the value of the Intangible Assets; and*
 - *Review and opine on the value of the Long-term investments.*

Valuation Approach

Valuation of the Properties

The Group owns 3 properties in Singapore at the following addresses:

- *No. 2 Enterprise Road, Singapore 629814;*
- *No. 2 Senoko Ave, Singapore 758298; and*
- *202 Pandan Loop, Singapore 128390.*

We have relied on the income and market approaches to arrive at the value conclusion for each of the properties. The Direct Comparison Approach was adopted for the valuation of the subject site; and Cost Approach for the improvements (including buildings and structures).

Valuation of the Plant and Equipment

The valuation of these assets relied on both the market and cost approaches. However, due to limited information of second hand market for these assets, we have mainly relied on cost approach.

Considerations were given to the following:

- Current prices for similar used equipment in the second hand market;
- Current cost new of the assets;
- Accrued depreciation; and
- Age, condition, past maintenance and present and prospective serviceability in comparison with new units of like kind.

Valuation of Investment in a Joint Venture

We estimated the value of this asset through the income approach, employing an income capitalization analysis. This simplified method assumes the business is stable and will continue to be operated as-is.

The market approach was not deemed appropriate due to the lack of comparable market transactions and prices. We performed a similar transaction search and found no similar disclosed recent transactions. The cost approach was also deemed inappropriate, as one of the significant assets of this business is the asset's assembled workforce and its collective network, and these would not be properly reflected using a cost approach methodology.

Valuation of Intangible Assets

The intangible assets mainly relate to the Group's business carried out under the "Food Junction" brand. We calculated the value of a 100% interest in this business by estimating the value through the income approach, employing a discounted cash flow ("DCF") analysis.

Our basis for selecting the income approach was due to the availability of relevant data, specifically the development plans and financial projections provided by the Group. Based on this information, we utilized a discounted cash flow methodology to estimate the cash that is available, either to invest in new or existing businesses or to distribute, to equity holders. This allowed us to estimate value of the 100% interest in the business under a set of reasonable and robust assumptions.

Similar to our valuation of the Investment in a Joint Venture, both the market and cost approaches were deemed inappropriate.

Review of Other Balance Sheet Items

We conducted a limited scope review of these balance sheet items in accordance with generally accepted practice and relevant literature. The objective is to provide a best estimate of their fair values based on the information gathered."

Based on the Valuation Report, we set out below the adjustments to determine the RNAV and RNTA of the Group:

	S\$'000
Unaudited NAV attributable to Shareholders as at 31 December 2016	167,771
Add: Revaluation surplus	10,187
Group's RNAV	177,958
Group's RNTA	141,546
 RNAV per Share	 S\$1.416
Premium of Offer Price over RNAV	16.5%
Offer Price / RNAV (times)	1.17
 RNTA per Share	 S\$1.126
Premium of Offer Price over RNTA	46.5%
Offer Price / RNTA (times)	1.47

Source: Full year results announcement for FY2016 of the Company and extracts from valuation report as set out in Appendix G to the Circular.

Based on the table above, we note the P/RNAV ratio and P/RNTA ratio of the Group as at 31 December 2016 was 1.17 times and 1.47 times respectively and the Offer Price represents a premium of 16.5% and 46.5% over the RNAV per Share and RNTA per Share respectively.

On an ex-cash basis, the RNAV per Share and the RNTA per Share of the Group as at 31 December 2016 would be approximately S\$0.715 and \$0.425 respectively. The ex-cash Offer Price of S\$0.949 represents a premium of 32.7% and 123.3% over the ex-cash RNAV per Share and ex-cash RNTA per Share respectively.

We have not made any independent evaluation or appraisal of the balance sheet items and we have been furnished by the Company with the Valuation Report in respect of the fair value of the balance sheet items. With respect to such valuation, we are not experts in the evaluation or appraisal of the balance sheet items and have relied on the Valuation Report for the fair value of the balance sheet items.

The Directors have represented that they had reviewed the Valuation Report to understand the assumptions used by the Independent Valuer and the information relied upon by the Independent Valuer in arriving at the fair value of the balance sheet items. The Directors have reviewed the information made available to them as a whole and are of the opinion that the assumptions used by the Independent Valuer are reasonable and confirmed that the Independent Valuer has been provided with information that to the best of their knowledge or belief is true, complete as per request and accurate in all respects and that there is no other information or fact, the omission of which would render the assumptions used by the Independent Valuer to be untrue, inaccurate or incomplete in any respect or misleading.

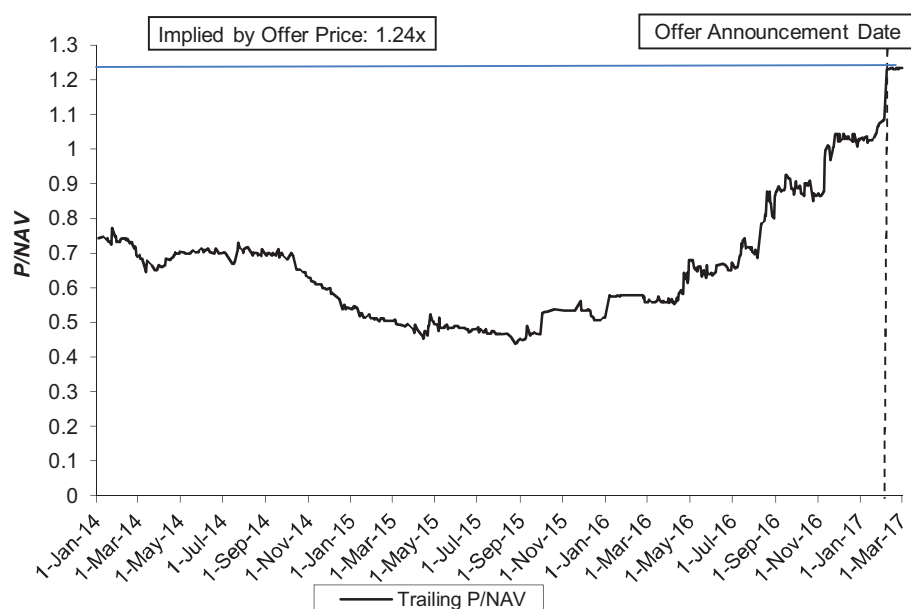
The Management has confirmed to us that save as disclosed in this letter, to the best of their knowledge and belief, there are no material differences between the realisable value of the abovementioned balances and their respective book values as at 31 December 2016 which would result in a material impact on the NAV of the Group.

The Directors and Management have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief, save for what have been previously disclosed in the Circular, the annual reports and unaudited results announcements on the SGXNET:

- (a) there are no other off-balance sheet and contingent liabilities or material events which are likely to have a material impact on the NAV/NTA of the Group as at the Latest Practicable Date;
- (b) there are no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole;
- (c) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group; and
- (d) there are no material acquisitions and disposals of assets by the Group between 1 January 2017 and the Latest Practicable Date, and the Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's business.

7.3.3 Trailing P/NAV of the Shares

We have compared the P/NAV of the Shares implied by the Offer Price against the trailing P/NAV multiples of the Shares since 1 January 2014 to the Last Traded Day and till the Latest Practicable Date, as shown below:



Source: Bloomberg L.P. and interim results announcement of the Company.

Note

- (1) NAV per Share for the relevant historical periods is based on the corresponding quarterly NAV per Share as reported by the Company.

Based on the above, we note that at 1.24 times, the P/NAV implied by the Offer Price is greater than all the trailing P/NAV multiples of the Shares since 1 January 2014 to the Last Traded Day.

7.4 Valuation statistics of selected companies broadly comparable to the Group

In the evaluation of the Offer Price, we have considered the valuation statistics of selected companies listed in Singapore and Malaysia that are deemed broadly comparable to the Group, i.e., companies which are involved in the manufacturing and distribution of fast moving consumer goods primarily in South East Asia ("**Comparable Companies**").

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

Shareholders may wish to note that there may not be any company listed that is directly comparable to the Company in terms of, *inter alia*, market capitalisation, size, diversity of business activities, asset base, geographical spread, customer base, brand loyalty, track record, financial performance, future prospects, operating and financial leverage, liquidity, risk profile, quality of earnings and accounting and such other relevant criteria.

As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of valuation statistics for the Comparable Companies. Therefore, any comparison made serves only as an illustrative guide for the Shareholders. The list of Comparable Companies is by no means exhaustive.

Details of the Comparable Companies are set out below:

Company	Business Description
Listed in Singapore	
Hanwell Holdings Ltd ("Hanwell")	Hanwell manufactures, markets and sells household consumer products, soya bean products and paper products. Hanwell also provides healthcare consultancy and hospital and hotel management services, develops properties and provides management services to the Econ Minimart chain of stores.
Hosen Group Ltd ("Hosen")	Hosen distributes fast moving consumer goods under its house brands as well as under third party leading brands. Hosen has its own lines of canned fruits, vegetables, seafood, meat products and beverages.
Khong Guan Limited ("Khong Guan")	Khong Guan produces wheat flour and other grain products and serves customers in Singapore.
QAF Limited ("QAF")	QAF manufactures and distributes bread, bakery and confectionery products. QAF also operates supermarkets and cold storage warehousing. QAF trades and distributes food, beverages, food related ingredients and commodities. QAF produces, processes and markets pork and feed mill production.

Super Group Ltd ("Super")	Super manufactures, packages and distributes instant cereal flakes, instant beverages, instant coffee powder and other convenience food products.
Yeo Hiap Seng Limited ("YHS")	YHS manufactures, distributes, and exports canned food, sauces and non-alcoholic beverages. Through its subsidiaries, YHS also rents beverage vending machines. YHS develops and invest in properties.
Listed in Malaysia	
DKSH Holdings (Malaysia) Berhad ("DKSH")	DKSH is principally an investment holding company. The principal activity of DKSH is the provision of Market Expansion Services, which range from marketing to sales force management, distribution and logistics, invoicing and credit management, inventory and returned goods management, and other services.
Harrisons Holdings (Malaysia) Berhad ("Harrisons")	Harrisons is an investment holding company. Harrisons, through its subsidiaries, markets, sells, warehouses and distributes building materials, industrial and agricultural chemical products and liquor products. Harrisons also provides shipping and travel agencies and manufactures and markets ceramic sanitary ware.
Kim Teck Cheong Consolidated Bhd ("KTC")	KTC distributes consumer packaged goods. KTC purchases warehouses and equipment for its bakery product production lines in Sabah and Sarawak. KTC commercialises additional packaged food and beverage products under its brand names.
London Biscuits Berhad ("LB")	LB manufactures and trades extruded corn snacks, cakes and other confectioneries and foodstuff. LB's products include corn based flavoured snack food, dip cup chocolates, cupcakes, layer cakes and swiss rolls. Through its subsidiaries, LB also lease property.

Source: Bloomberg L.P.

In our assessment of the Offer Price, we have considered the following widely used valuation measures:

Valuation measures	General description
Price-to-earnings ("P/E")	The historical P/E ratio is commonly used for the purpose of illustrating the profitability, and hence valuation, of the company
Enterprise value-to-earnings before interest, tax, depreciation and amortisation ("EV/EBITDA")	The EV/EBITDA ratio serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance.
Price-to-NAV ("P/NAV")	The P/NAV ratio illustrates the extent the value of each share is backed by its net assets.
Price-to-NTA ("P/NTA")	The P/NTA ratio illustrates the extent the value of each share is backed by its net tangible assets.

The ratios of the Comparable Companies based on their latest transacted prices and their latest financials are set out below. Shareholders should note that the comparisons between the Company and the Comparable Companies below are affected by differences in their financial periods, accounting policies and valuation composition of the businesses and our analysis has not been adjusted for such differences.

Comparable Companies	Market capitalisation as at the Latest Practicable Date (S\$' million)	LTM P/E ⁽¹⁾⁽³⁾ (times)	LTM EV/EBITDA ⁽²⁾⁽³⁾ (times)	P/NAV ⁽⁴⁾ (times)	P/NTA ⁽⁴⁾ (times)
<u>Listed in Singapore</u>					
Hanwell	149.42	15.92	2.09	0.55	0.55
Hosen	12.67	11.93	10.22	0.45	0.45
Khong Guan	52.14	892.51 ⁽⁵⁾	41.98 ⁽⁵⁾	0.83	0.83
QAF	792.22	11.52	6.86	1.50	1.50
Super	1,442.99	32.44	16.00	2.67	2.68
Yeo Hiap Seng	800.12	56.47 ⁽⁵⁾	21.17	1.18	1.18
<u>Listed in Malaysia</u>					
DKSH	252.64	12.19	7.53	1.50	1.50
Harrisons	70.91	12.79	7.71	0.75	0.75
KTC	43.63	257.52 ⁽⁵⁾	23.56	1.51	1.63
LB	44.65	8.04	7.61	0.34	0.35
Maximum		32.44	23.56	2.67	2.68
Minimum		8.04	2.09	0.34	0.35
Mean		14.98	11.42	1.13	1.14
Median		12.19	7.71	1.00	1.00
Company (implied by the Offer Price)	207.35	10.95	3.42	1.24 (P/NAV)	1.58 (P/NTA)
				1.17 (P/RNAV)	1.47 (P/RNTA)

Source: Bloomberg L.P. and annual reports and financial results announcements of the Comparable Companies

Notes

- (1) EPS figures are based on the last twelve months ("LTM") financial results as at the Latest Practicable Date.
- (2) EBITDA figures are based on the LTM financial results as at the Latest Practicable Date. EV of the companies are based on their respective market capitalisations as at the Latest Practicable Date, except for the Company whose EV is based on the Offer Price, and the consolidated net debt and minority interest figures set out in the latest available published financial statements as at the Latest Practicable Date.
- (3) EBITDA and net income figures have been adjusted for any significant impairment and fair value gain/losses for the Company and the respective Comparable Companies.
- (4) NAV and NTA figures are based on the latest available published financial statements as at the Latest Practicable Date.
- (5) Excluded as statistical outliers.

Based on the above analysis, we note the following:

- (i) the P/E ratio of the Company is within range but lower than the mean and median of the P/E ratios of the Comparable Companies;
- (ii) the EV/EBITDA ratio of the Company is within range but lower than the mean and median of the EV/EBITDA ratios of the Comparable Companies;
- (iii) the P/NAV ratio of the Company is within range and higher than the mean and median of the P/NAV ratios of the Comparable Companies;
- (iv) the P/RNAV ratio of the Company is within range and higher than the mean and median of the P/NAV ratios of the Comparable Companies;

- (v) the P/NTA ratio of the Company is within range and higher than the mean and median of the P/NTA ratios of the Comparable Companies;
- (vi) the P/RNTA ratio of the Company is within range and higher than the mean and median of the P/NTA ratios of the Comparable Companies; and
- (vii) we further note that one of the Comparable Companies, Super has recently received a pre-conditional cash offer from a subsidiary of Jacobs Douwe Egberts B.V. (“**JDE Offer**”) and the JDE Offer may be supporting the current market price of the shares of Super. Based on the announcements of Super, we understand that JDE, a global coffee and tea company, is expanding its footprint into the strategically important Southeast Asian growth region. JDE has offered a significant premium to acquire the shares with a view of delisting and privatising Super so that it can have greater control and management flexibility in the implementation of strategic initiatives and/or operational changes of Super.

For illustration purposes, based on the last trade price of Super on 4 October 2016, being the last full day of trading prior to the date on which a query regarding trading activity was raised by the SGX-ST, the P/E, EV/EBITDA, P/NAV and P/NTA ratios of Super would be 20.04, 9.27, 1.65 and 1.66 respectively. Correspondingly, the mean P/E, EV/EBITDA, P/NAV and P/NTA ratios of the Comparable Companies would be 13.20, 10.67, 1.03 and 1.04 respectively.

7.5 Comparison with successful privatisation/delisting of companies listed on the SGX-ST

In assessing the reasonableness of the Offer Price, we have, for completeness, compared the financial terms of the Offer with those of the selected recent successful privatisation / delisting of companies listed on the SGX-ST announced and completed from 1 January 2015 up to the Latest Practicable Date, which were carried out either by way of voluntary delisting offers, offers being made by way of scheme of arrangement or general takeover offers, where the intention of the offeror was to delist the target company from the Official List of the SGX-ST (“**Successful Privatisation Transactions**”).

This analysis serves as a general indication of the relevant premium/discount that the offerors have paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations. We wish to highlight that the list of companies set out under the list of Successful Privatisation Transactions may not be directly comparable to the Group in terms of size, market capitalisation, business activities, asset base, geographical spread, track record, accounting policy, future prospects and other relevant criteria. Each Successful Privatisation Transactions must be judged on its own commercial and financial merits. The premium any offeror is prepared to pay depends on various factors such as potential synergy that the offeror can gain from its investment in the target company as well as the presence of competing bids for the target, prevailing market conditions, attractiveness and profile of the target company’s underlying business and assets, size of consideration, existing level of control in the target company as well as general economic and business risks. Therefore any comparison of the Offer with the Successful Privatisation Transactions is for illustration purposes only. Conclusions drawn from the comparisons made may not necessarily reflect any perceived market valuation of the Group.

Company	Date of first announcement of offer	Type ⁽²⁾	Premium / (Discount) of offer price over / (to) ⁽¹⁾					P/NAV or P/RNAV (times)
			Last transacted price prior to announcement (%)	1-month VWAP prior to announcement (%)	3-month VWAP prior to announcement (%)	6-month VWAP prior to announcement (%)	12-month VWAP prior to announcement (%)	
Popular Holdings Limited	14-Jan-15	VGO	39.1	39.7	37.3	32.2	28.5	1.08*
Keppel Land Limited ⁽³⁾	23-Jan-15	VGO	20.0	25.0	28.8	28.2	29.6	0.65*
Action Asia Limited	27-Feb-15	VD	69.6	67.6	66.7	64.5	54.0	0.75*
Junma Tyre Cord Company Ltd	10-Mar-15	VD	222.6	162.3	174.7	167.7	195.1	0.93*
Lizhong Wheel Group Ltd	17-Aug-15	VGO	96.1	87.3	79.2	92.3	96.1	0.57*
Chosen Holdings Limited	1-Sep-15	VGO	21.2	26.3	27.0	33.3	38.7	0.85*
Eastern Holdings Ltd	22-Sep-15	VD	41.7	67.3	34.1	25.7	(25.3)	0.81*
Zagro Asia Limited	3-Nov-15	VD	15.4	19.0	20.0	16.3	11.9	0.78*
Tiger Airways Holdings Limited	6-Nov-15	VGO	45.2	48.5	56.3	50.0	46.1	5.36
Sinotel Technologies Ltd	30-Nov-15	VD	50.6	30.6	45.5	(4.5)	29.3	0.81
Neptune Orient Lines Limited	7-Dec-15	VGO	6.1	14.6	22.0	31.1	29.9	1.03
Li Heng Chemical Fibre Technologies Limited	22-Dec-15	VGO	115.1	100.8	104.5	60.3	58.7	0.43*
Interplex Holdings Ltd	23-Dec-15	VGO	15.5	11.1	13.1	16.5	11.4	1.73*
China Dairy Group Ltd	30-Dec-15	VD	77.3	96.4	82.5	82.5	73.9	1.06*
HTL International Holdings Limited	7-Jan-16	SOA	46.0	69.2	98.4	105.3	113.2	1.86
Lantrovision (S) Ltd	27-Jan-16	SOA	47.7	42.8	46.2	56.6	42.1	1.47
China Yongsheng Limited	24-Feb-16	VGO	52.4	67.4	62.4	56.9	34.5	0.65*
Xinren Aluminium Holdings Limited	25-Feb-16	VGO	25.0	49.6	50.0	48.5	36.1	1.48*
Osim International Limited	7-Mar-16	VGO	27.0	40.9	42.5	16.7	(2.2)	2.61
Select Group Limited	23-Mar-16	VGO	23.5	37.9	43.4	31.6	27.0	2.93*
Xyec Holdings Co., Ltd	29-Mar-16	VD	50.0	49.3	49.3	53.8	44.2	1.30
Innovalues Limited ⁽⁴⁾	7-Apr-16	SOA	13.5	19.0	21.6	27.8	30.5	3.74
Pteris Global Limited	21-Apr-16	VGO	33.9	38.0	44.1	49.6	45.3	1.09*
China Merchants Holdings (Pacific) Limited	9-May-16	VGO	22.9	21.8	25.3	20.2	8.0	1.13*
Eu Yan Sang International Ltd	16-May-16	VGO	2.6	8.5	16.5	24.7	22.5	1.70*

Otto Marine Limited	8-Jun-16	VD	39.1	44.8	43.5	42.9	(13.5)	0.83*
SMRT Corporation Ltd	20-Jul-16	SOA	8.7	10.8	10.7	8.7	15.5	2.75
Sim Lian Group Limited	8-Aug-16	VGO	14.9	16.6	19.5	21.3	23.0	0.78*
Aztech Group Limited	20-Sep-16	VD	29.2	38.6	21.0	10.5	(13.2)	0.44*
China Minzhong Food Corporation Limited	21-Oct-16	VGO	25.0	24.8	23.1	25.9	35.4	0.72
China Auto Electronics Group Limited	24-Oct-16	MGO	23.1	50.9	65.0	65.0	88.2	0.57
Maximum			222.6	162.3	174.7	167.7	195.1	5.4
Minimum			2.6	8.5	10.7	(4.5)	(25.3)	0.4
Mean			42.6	46.0	47.6	43.9	39.2	1.4
Median			29.2	39.7	43.4	32.2	30.5	1.0
Company	7-Feb-17	VGO	13.4	17.7	23.8	35.6	60.8	1.24 (P/NAV) 1.17 (P/RNAV)

Source: Bloomberg L.P., announcements, offer documents and circulars of each respective company in relation to the Successful Privatisation Transactions.

Notes

- (1) Market premia/discounts calculated relative to the closing price of the respective target companies one (1) day prior to the respective announcement date and VWAP of the 1-month, 3-month, 6-month and 12-month period prior to the respective announcement dates.
- (2) VGO – Voluntary General Offer, VD – Voluntary Delisting, MGO – Mandatory General Offer, SOA – Scheme of Arrangement.
- (3) Based on the base offer price of S\$4.38 per share as announced by the offeror on 23 January 2015.
- (4) The market premia implied by the scheme price were computed based on prices prior to 7 April 2016, being the holding announcement date.
- (5) “**” denotes P/RNAV based on the available revalued NAV as reported by the respective companies.

Based on the above, we note the following:

- (i) the premium of 13.4% implied by the Offer Price over the last transacted price of the Shares is within range but lower than the corresponding mean and median premia of the Successful Privatisation Transactions;
- (ii) the premium of 17.7% implied by the Offer Price over the 1-month VWAP of the Shares is within range but lower than the corresponding mean and median premia of the Successful Privatisation Transactions;
- (iii) the premium of 23.8% implied by the Offer Price over the 3-month VWAP of the Shares is within range but lower than the corresponding mean and median premia of the Successful Privatisation Transactions;
- (iv) the premium of 35.6% implied by the Offer Price over the 6-month VWAP of the Shares is within range, higher than the corresponding median but lower than the corresponding mean premia of the Successful Privatisation Transactions;
- (v) the premium of 60.8% implied by the Offer Price over the 12-month VWAP of the Shares is within range and higher than the corresponding mean and median premia of the Successful Privatisation Transactions;

- (vi) the P/NAV ratio as implied by the Offer Price of 1.24 times is within range, higher than the corresponding median but below the corresponding mean of the offer price over NAV ratios of the Successful Privatisation Transactions; and
- (vii) the P/RNAV ratio as implied by the Offer Price of 1.17 times is within range, higher than the corresponding median but lower than the corresponding mean of the offer price over NAV ratios of the Successful Privatisation Transactions.

7.6 Dividend track record of the Company

We note that over the past five financial years, the Company had paid dividends as follows:

	FY2012	FY2013	FY2014	FY2015	FY2016
Dividends per Share (S\$)	0.03	0.02	0.02	-	-
Share price on final cum date (S\$)	1.285	1.18	0.815	n.a.	n.a.
Dividend Yield (%)	2.3	1.7	2.5	n.a.	n.a.

Source: Bloomberg L.P. and announcements of the Company.

Based on the above, we note that over the last 5 financial years, the Company had declared dividends of S\$0.03 for FY2012, S\$0.02 for FY2013, S\$0.02 for FY2014, representing dividend yields of 2.3%, 1.7% and 2.5% respectively. The Company did not declare any dividends for FY2015 and FY2016.

We wish to highlight that the above dividend analysis of the Company serves as an illustrative guide and is not an indication of the Company's future dividend policy. The Directors have confirmed that the Company has adopted a dividend policy with effect from 1 May 2014 and that they will recommend future dividends after taking into consideration the availability of profits, projected growth of the Group, short-term and long-term interests of the Company, and capital requirements of the Company.

7.7 Other relevant considerations

7.7.1 No revision in Offer Price

Pursuant to the Offer Document, we note that the Offeror has stated that it will not revise the Offer Price. Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Offer Price, in any way.

7.7.2 No competing offer

The Directors have confirmed that, as at the Latest Practicable Date, no competing offer or proposal from any third party has been received. We also note that there is no publicly available evidence of any alternative offer for the Shares from any third party. The likelihood of a competing offer from any third party is also remote given that the Offeror and parties acting in concert with it have already secured holdings 80.63% of the total number of issued Shares as at the Latest Practicable Date. In addition, pursuant to the Code, except with the consent of the SIC, the Offeror and concert parties cannot make another offer to, or acquire the Shares from any Shareholders on terms better than those under the Offer within six (6) months of the close of the Offer.

7.7.3 Listing status of the Company

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

Separately, Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of Shares in issue excluding treasury shares is at all times held by the public ("**Free Float Requirement**"). Rule 724 of the Listing Manual states that if the Free Float Requirement is not met, the company must, as soon as practicable, announce that fact, and the SGX-ST may allow the Company a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

As stated in the Offer Document, in the event that the Company does not meet the Free Float Requirement and the trading of the Shares on the SGX-ST is suspended, the Offeror does not intend to support any action or take any steps to maintain the listing status of the Company or to restore the Free Float Requirement, consistent with its intention to delist the Company from the SGX-ST.

As at the Latest Practicable Date, the total number of Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties amounted to an aggregate of 101,321,246 Shares, representing 80.63% of the total number of issued Shares.

7.7.4 No compulsory acquisition

Pursuant to Section 215(1) of the Companies Act (Cap. 50) ("**Act**"), in the event that the Offeror acquires 90% or more of the Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Offer and excluding any Shares held by the Company as treasury shares), it will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer ("**Dissenting Shareholders**") at the Offer Price.

As the Offer does not extend to the Shares owned, controlled or agreed to be acquired by the Offeror's Concert Parties (including, specifically, LCR and Goldstream), the Offer does not involve the transfer of all the Shares. Therefore, the Offeror is not entitled to the rights of compulsory acquisition under Section 215(1) of the Act to acquire any of the Shares of the Dissenting Shareholders who have not accepted the Offer.

7.7.5 No Put Right by Shareholders

It should be noted that Dissenting Shareholders have the right under and subject to Section 215(3) of the Act to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations and their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total issued Shares as at the close of the Offer.

The Offeror is owned by two individuals, Dr. Stephen Riady and Dr. Andy Adhiwana, and is therefore not a "related corporation" of LCR or Goldstream. As such, the 49.28% and 27.44% shareholdings of LCR and Goldstream, respectively, in the Company will not be aggregated with the Shares held by the Offeror for the purposes of Section 215(3) of the Act and the Offeror will not hold 90% or more of all outstanding Shares. Therefore, Dissenting Shareholders will have no right and are not entitled under Section 215(3) of the Act to require the Offeror to acquire any of their Shares.

7.7.6 Implications to Shareholders holding on to delisted Shares

Shareholders should note that shares of unquoted companies are generally valued at a discount to the shares of comparable listed companies as a result of the lack of liquidity and marketability. If the Company is delisted from the Official List of the SGX-ST, Shareholders who have not accepted the Offer may face difficulties if they wish to sell their Shares in the absence of a public market for the Shares as there is no arrangement for Shareholders to exit. Even if such Shareholders were able to sell their Shares, they may receive a lower price as compared to the Offer Price. Further, any transfer or sale of Shares represented by share certificates will be subject to stamp duties.

Shareholders should also note that under the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the closure of the Offer, make a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Offer.

If the Company is delisted from the Official List of the SGX-ST, the Company (as a Singapore-incorporated company) will continue to be subject to the provision of the Act and will no longer be subject to the provisions of the listing requirements of the SGX-ST.

7.7.7 Control of the Company

As at the Latest Practicable Date, the Offeror owns approximately 80.63% of the total number of issued Shares in the Company. Accordingly, the Offeror already possesses statutory control of the Company which entitles it to pass all ordinary resolutions on matters in which the Offeror and its Concert Parties do not have an interest, at general meetings of Shareholders including resolutions on dividend payments by the Company.

7.7.8 Offeror's future plans for the Company

As stated in the Offer Document, the Offeror intends for the Company to continue with its existing business and currently has no intention to (i) introduce any major changes to the business of the Group, (ii) re-deploy the Group's fixed assets, or (iii) discontinue the employment of any of the existing employees of the Company and of its subsidiaries, other than in the ordinary course of the business.

8. OPINION

In arriving at our opinion in respect of the Offer, we have taken into account the following key considerations (which should be read in conjunction with, and in the context of, the full text of this IFA Letter):

- (a) the Offer Price represents premiums of 60.80%, 35.63%, 23.75% and 17.74% over the VWAP of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively;
- (b) the Offer Price represents a premium of 13.40% over the last traded price on the Last Traded Day;
- (c) the Offer Price represents a discount of 0.07% and 0.30% to the VWAP of the Shares for the period from the Offer Announcement Date to the Latest Practicable Date and the last traded price on the Latest Practicable Date respectively;
- (d) the closing price of the Shares have not traded at or above the Offer Price for the last three years prior to the Last Traded Day and there is no assurance that the price of the Shares will remain at current levels after the close of the Offer;
- (e) the average daily trading volume of the Shares over all the reference periods prior to the Offer Announcement Date has been low, representing between 0.16% and 0.26% of the free float of the Company respectively. The average daily trading volume of the Shares (excluding the acquisition of Shares by Dr Andy Adhiwana) represent only 0.15% of the free float of the Company for the one year prior to the Offer Announcement Date;
- (f) the Group reported a profit before tax of S\$11.9 million in FY2016 mainly attributable to the Group's rationalisation exercise to streamline its non-performing businesses in food retail and food court segments and the absence of operating losses from the closure of non-performing businesses in FY2015. Shareholders should note that the financial performance of the Group will depend on the deployment of the Group's resources taking into consideration the significant capital expenditures required and the gestation period relating to investments in the food retail and food court segments;
- (g) the Offer Price represents a premium of 23.6% and 57.7% over the NAV per Share and NTA per Share respectively and a premium of 16.5% and 46.5% over the RNAV per Share and RNTA per Share respectively;
- (h) on an ex-cash basis, the ex-cash Offer Price represents a premium of 49.7% and 175.1% over the ex-cash NAV per Share and ex-cash NTA per Share respectively and a premium of 32.7% and 123.3% over the ex-cash RNAV per Share and ex-cash RNTA per Share respectively;

- (i) the P/NAV implied by the Offer Price is greater than all the trailing P/NAV multiples of the Shares since 1 January 2014 to the Last Traded Day;
- (j) the P/E and EV/EBITDA ratios of the Company are within range but lower than the mean and median ratios of the Comparable Companies;
- (k) the P/NAV ratio of the Company is within range and higher than the mean and median of the P/NAV ratios of the Comparable Companies;
- (l) the P/RNAV ratio of the Company is within range and higher than the mean and median of the P/NAV ratios of the Comparable Companies;
- (m) the P/NTA ratio of the Company is within range and higher than the mean and median of the P/NAV ratios of the Comparable Companies;
- (n) the P/RNTA ratio of the Company is within range and higher than the mean and median of the P/NAV ratios of the Comparable Companies;
- (o) the premium of the Offer Price over the last transacted price, VWAP for the 1-month and 3-month period are within range but lower than the corresponding mean and median premia of the Successful Privatisation Transactions;
- (p) the premium of the Offer Price over the VWAP for the 6-month period is within range, higher than the corresponding median but lower than the corresponding mean of the Successful Privatisation Transactions;
- (q) the premium of the Offer Price over the VWAP for the 12-month period is within range and higher than the corresponding mean and median premia of the Successful Privatisation Transactions;
- (r) the P/NAV ratio is within range, higher than the corresponding median but below the corresponding mean of the offer price over NAV ratios of the Successful Privatisation Transactions;
- (s) the P/RNAV ratio is within range, higher than the corresponding median but lower than the corresponding mean of the offer price over NAV ratios of the Successful Privatisation Transactions;
- (t) the Company did not declare any dividends for FY2015 and FY2016;
- (u) other relevant consideration as set out in Section 7.7 of this IFA Letter, as follows:
 - (i) no revision in the Offer Price;
 - (ii) no competing offer from any third party;
 - (iii) no compulsory acquisition;
 - (iv) Dissenting Shareholders have no right and are not entitled to require the Offeror to acquire any of their Shares;
 - (v) Shareholders who have not accepted the Offer may face difficulties selling their Shares if the Company is delisted;

- (vi) the Offeror already possesses statutory control of the Company; and
- (vii) the Offeror intends for the Company to continue with its existing business.

After taking into account the above factors, we are of the opinion that based on information available as at the Latest Practicable Date, on balance, the Offer is fair and reasonable.

Accordingly, we advise the Recommending Directors to recommend to the Shareholders either ACCEPT the Offer or sell their Shares in the open market if they can obtain a price higher than the Offer Price after deducting transaction and related expenses.

The Recommending Directors should also note that trading of the Shares are subject to, *inter alia*, the performance and prospects of the Group, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, our opinion on the Offer does not and cannot take into account the future transactions or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review.

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

This IFA Letter is addressed to the Recommending Directors for their reference and benefits in relation to and for the purpose of their consideration of the Offer. Any recommendation made by the Recommending Directors to the Shareholders shall remain the role and responsibility of the Recommending Directors.

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

Yours faithfully,
For and on behalf of
MS Corporate Finance Pte. Ltd.

Mick Aw
Director

Juay Sze Sin
Director

APPENDIX B – ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

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

Name	Address	Description
Mr Albert Saychuan Cheok	c/o 50 Collyer Quay #06-03 OUE Bayfront Singapore 049321	Independent Non-Executive Chairman
Dr Stephen Riady	c/o 50 Collyer Quay #06-03 OUE Bayfront Singapore 049321	Executive Director
Dr Andy Adhiwana	c/o 50 Collyer Quay #06-03 OUE Bayfront Singapore 049321	Executive Director and Group Chief Executive Officer
Mr Bryan Chang Yew Chan	c/o 50 Collyer Quay #06-03 OUE Bayfront Singapore 049321	Independent Non-Executive Director
Mr Edwin Neo	c/o 50 Collyer Quay #06-03 OUE Bayfront Singapore 049321	Independent Non-Executive Director
Mr Ronald Issen	c/o 50 Collyer Quay #06-03 OUE Bayfront Singapore 049321	Non-Executive Director
Mr Tan Huay Lim	c/o 50 Collyer Quay #06-03 OUE Bayfront Singapore 049321	Independent Non-Executive Director and Lead Independent Director

2. REGISTERED OFFICE OF THE COMPANY

The registered office of the Company is at 50 Collyer Quay #06-03 OUE Bayfront Singapore 049321.

3. PRINCIPAL ACTIVITIES OF THE COMPANY

The Company is incorporated in August 1988 in Singapore and is listed on the Main Board of the SGX-ST. The Company's principal activities are in investment holding, involving a diverse range of businesses, including the distribution of fast-moving consumer goods, food manufacturing and retailing, restaurant as well as food court management.

4. SHARE CAPITAL OF THE COMPANY

4.1. Number and Class of Shares

The Company has only one class of Shares, being ordinary shares. The Shares are quoted and listed on the Official List of the Mainboard of the SGX-ST. As at the Latest Practicable Date, the total issued and paid-up share capital of the Company is approximately S\$64,461,000 comprising 125,667,324 Shares. The Company does not hold any treasury shares.

4.2. Rights of Shareholders in respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. An extract of the relevant provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting is reproduced in Appendix F of this Circular. The Constitution is available for inspection at the registered address of the Company at 50 Collyer Quay #06-03 OUE Bayfront Singapore 049321. Capitalised terms and expressions not defined in the extract have the meanings ascribed to them in the Constitution and/or the Companies Act.

4.3. Number of Shares Issued Since the End of the Last Financial Year

As at the Latest Practicable Date, no new Shares have been issued by the Company since 31 December 2016, being the end of the last financial year.

4.4. Convertible Instruments

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

5. SUMMARY OF FINANCIAL INFORMATION

5.1. Consolidated Statements of Comprehensive Income

A summary of the audited consolidated statement of comprehensive income of the Group for FY2013, FY2014, FY2015 and the unaudited financial information of the Group for FY2016 is set out below.

Consolidated Statement of Comprehensive Income (S\$'000)

	Unaudited FY2016	Audited FY2015 (Restated)	Audited FY2014 (Restated)	Audited FY2013 (Restated)
Revenue	423,984	432,883	424,412	398,439
Gross profit	185,210	183,147	180,232	171,238
Exceptional items ¹	—	—	—	—
Share of results of an associated company	—	—	(4)	(5)
Share of results of a joint venture company	557	736	770	832
Profit/(loss) before taxation ²	11,885	(45,022)	639	(21,912)
Profit/(loss) after taxation	7,306	(40,881)	175	(23,244)
Profit/(loss) attributable to:				
Owners of the Company	7,212	(40,839)	231	(21,943)
Earnings per share attributable to owners of the Company (cents per share):				
Basic	5.74	(32.50)	0.18	(17.46)
Diluted	5.74	(32.50)	0.18	(17.46)
Dividends per share	—	—	0.02	0.02

¹ Exceptional items disclosed in prior years are now presented under the operating expenses in accordance with the nature of expenses.

² In reference to 2016 IFRS Interpretations Committee (IFRIC) agenda decision, the Group has reassessed and determined the carrying amount of the indefinite life intangible assets are to be recovered through use than through sale. Deferred tax on indefinite life intangible assets is recognized and applied retrospectively.

The above summary should be read together with the annual reports, the audited consolidated financial statements of the Group for the relevant years, and the related notes thereto, copies of which are available for inspection at the registered office of the Company at 50 Collyer Quay #06-03 OUE Bayfront Singapore 049321 during normal business hours.

The unaudited financial information of the Group for FY2016 is set out in fuller detail in Appendix E of this Circular.

5.2. Statement of Financial Position

A summary of the audited consolidated statement of financial position of the Group as at 31 December 2015 is set out below.

Statement of Financial Position (S\$'000)

	Audited as at 31 December 2015 (Restated)
<u>ASSETS</u>	
Current assets	
Stocks	44,929
Trade debtors	67,728
Other debtors, prepayments and other recoverables	9,817
Fixed deposits (restricted)	3,221
Cash and cash equivalents	44,526
Non-current assets	
Property, plant and equipment	30,866
Intangible assets ¹	39,404
Investment in a joint venture company	1,708
Long-term investments	8,194
Other debtors, prepayments and other recoverables	9,864
Deferred tax assets	1,333
Total assets	261,590
<u>EQUITY AND LIABILITIES</u>	
Current liabilities	
Trade creditors	41,870
Other creditors, accruals and deferred income	42,137
Provision for reinstatement costs	1,225
Loans and borrowings	2,714
Tax payable	2,622
Net current assets	79,653
Non-current liabilities	
Provision for reinstatement costs and deferred income	4,333
Loans and borrowings	332
Deferred tax liabilities ¹	5,495
Total liabilities	100,728
Net assets	160,862

¹ Refer to explanatory note (2) on page B-2.

The above summary should be read together with the annual report for FY2015, the audited consolidated financial statements of the Group for FY2015, which are set out in Appendix D of this Circular, and the related notes thereto.

5.3. Significant Accounting Policies

A summary of the significant accounting policies of the Group is set out in note 2 to the audited financial statements of the Group for FY2015, which are reproduced in Appendix D of this Circular and section 4 of the unaudited financial information of the Group for FY2016, which are set out in Appendix E of this Circular.

Save as disclosed in this Circular and publicly available information on the Group (including but not limited to that contained in the audited financial statements of the Group for FY2015 and section 4 of the unaudited financial information of the Group for FY2016), there are no significant accounting policies or any points from the notes to the financial statements which are of major relevance for the interpretation of the accounts.

5.4. Changes in Accounting Policies

Save as disclosed in the notes to the audited financial statements of the Group for FY2015 and the notes to the unaudited financial information of the Group for FY2016, there are no changes in the accounting policies of the Group which will cause the financial statements of the Group not to be comparable to a material extent.

The Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2016. Except as discussed below, the adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

The Group previously recognised deferred tax on indefinite life intangible assets on the presumption that the carrying amount of the indefinite life intangible assets are recovered through sale as the indefinite life intangible assets are not amortised.

In 2016, the IFRS Interpretations Committee (IFRIC) issued an agenda decision which observes that the reason for not amortising an indefinite life intangible asset is not because there is no consumption of the future economic benefits embodied in the asset. Therefore, the determination of tax consequences of an indefinite life intangible assets shall reflect the expected manner of recovery of the carrying amount of the assets either through use or through sale. Based on the IFRIC agenda decision, the Group has reassessed and determined that the carrying amount of the indefinite life intangible assets are to be recovered through use.

6. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in this Circular and publicly available information on the Company (including but not limited to announcements released by the Company in respect of its financial results such as the unaudited financial information of the Group for FY2016 as announced on 20 February 2017 and set out in Appendix E of this Circular), there are no known material changes in the financial position of the Company as at the Latest Practicable Date since 31 December 2015, being the date to which the Company's last published audited financial statements were made up.

7. DISCLOSURE OF INTERESTS OF THE COMPANY AND THE DIRECTORS

7.1. Shareholdings and Dealings

As at the Latest Practicable Date:

- a. the Company does not have any direct or deemed interests in any Offeror Securities;

- b. save as disclosed below, none of the Directors have any direct or deemed interests in any Offeror Securities:

Name	No. of Shares					
	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dr Stephen Riady	70	70	0	0	70	70
Dr Andy Adhiwana	30	30	0	0	30	30

- c. each of the Company and the Directors have not dealt for value in any Offeror Securities during the Relevant Period;
- d. save as disclosed below, none of the Directors have any direct or deemed interests in any Company Securities:

Name	No. of Shares					
	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dr Stephen Riady	0	0	66,833,435	53.18	66,833,435	53.18
Dr Andy Adhiwana	0	0	39,393,911	31.35	39,393,911	31.35

- e. save as disclosed below, none of the Directors have dealt for value in any Company Securities during the Relevant Period.

Director	Transaction Date	Nature of transaction	Number of Shares traded	Aggregate Transaction Price (\$\$)
Dr Andy Adhiwana*	9 November 2016	Acquisition	688,700	804,814.82

* Dr Andy Adhiwana acquired 688,700 Shares through Goldstream on 9 November 2016.

7.2. Directors' Intentions in relation to the Offer

None of the Directors has any direct or indirect interests in the Offer Shares.

7.3. Directors' Service Contracts

As at the Latest Practicable Date, (i) there are no service contracts between any Director or proposed director with the Company or any of its subsidiaries with more than 12 months to run, which the employing company cannot, within the next 12 months, terminate without payment of compensation; and (ii) there are no such service contracts entered into or amended between any of the Directors or proposed director with the Company or any of its subsidiaries during the period between the start of six (6) months preceding the Offer Announcement Date and the Latest Practicable Date.

7.4. Arrangements Affecting Directors

As at the Latest Practicable Date:

- there are no payments or other benefits which will be made or given to any Director or any director of any 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;
- 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. save as disclosed in section 8.2 (Independence of Directors) of the Letter to Shareholders and sections 7 (Disclosure of Interests of the Company and the Directors) and 9 (Material Contracts with Interested Persons) of this Appendix B, none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

8. DISCLOSURE OF INTERESTS OF THE INDEPENDENT FINANCIAL ADVISER

None of the IFA or any of the funds whose investments are managed by the IFA on a discretionary basis, owns or controls any Company Securities as at the Latest Practicable Date, or has dealt with any Company Securities during the Relevant Period.

9. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, there have been no material contracts (not being contracts entered into during the ordinary course of business carried on by the Company) entered into by the Company or any of its subsidiaries with Interested Persons, during the three (3) years preceding the Offer Announcement Date.

For completeness, as disclosed in the public announcements made by the Company via SGXNET and the annual reports of the Company for FY2013, FY2014 and FY2015, the Group had entered into several interested person transactions in the ordinary course of its business during the period commencing three (3) years before the Offer Announcement Date, and ending on the Latest Practicable Date.

10. MATERIAL LITIGATION

As at the Latest Practicable Date:

- a. neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole; and
- b. the Directors are not aware of any litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole.

APPENDIX C – ADDITIONAL INFORMATION ON THE OFFEROR

The following information on the Offeror has been extracted from Appendix 3 of the Offer Document and set out below.

“

APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS

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

Name	Address	Description
AA	<i>c/o 50 Collyer Quay, #06-03 OUE Bayfront, Singapore 049321</i>	<i>Director</i>
Lau Yee Lee Eli	<i>c/o 50 Collyer Quay, #06-03 OUE Bayfront, Singapore 049321</i>	<i>Director</i>

2. PRINCIPAL ACTIVITIES

The Offeror is a private company limited by shares incorporated in Singapore on 16 December 2016. Its principal activity is that of investment holding.

3. SHARES

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$100. SR is the majority shareholder of the Offeror, while AA holds at least 20% of the Offeror.

4. FINANCIAL SUMMARY

As the Offeror was incorporated on 16 December 2016, no audited financial statements of the Offeror have been prepared to date.

5. MATERIAL CHANGES IN FINANCIAL POSITION

Save as a result of the making and financing of the Offer, there has been no known material changes in the financial position of the Offeror subsequent to the date of its incorporation.

6. SIGNIFICANT ACCOUNTING POLICIES

As the Offeror was incorporated on 16 December 2016, no audited financial statements of the Offeror have been prepared to date.

7. CHANGES IN ACCOUNTING POLICIES

As the Offeror was incorporated on 16 December 2016, no audited financial statements of the Offeror have been prepared to date.

8. REGISTERED OFFICE

The registered office of the Offeror is at 19 Keppel Road #03-05, Jit Poh Building, Singapore 089058.”

Please refer to Appendix 3 of the Offer Document for further information on the Offeror.

APPENDIX D – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

The audited consolidated financial statements of the Group for FY2015 which are set out below have been excerpted from the Company's annual report for FY2015, and were not specifically prepared for inclusion in this Circular.

All capitalised terms used in Note 2 of the audited consolidated financial statements of the Group for FY2015 set out below shall have the same meanings given to them in the annual report of the Company for FY2015.

A copy of the annual report of the Company for FY2015 is available for inspection at the registered address of the Company at 50 Collyer Quay #06-03 OUE Bayfront Singapore 049321, during normal business hours until the Closing Date.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Independent Auditor's Report to the Members of Auric Pacific Group Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Auric Pacific Group Limited ("**the Company**") and its subsidiary companies (collectively, "**the Group**") set out on pages 58 to 145, which comprise the balance sheets of the Group and the Company as at 31 December 2015, the statements of changes in equity of the Group and the Company, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "**Act**") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Independent Auditor's Report to the Members of Auric Pacific Group Limited

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
29 February 2016

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

(In Singapore Dollars)

		Group	
	Note	2015 \$'000	2014 \$'000
Revenue	3	432,890	424,424
Cost of revenue	4	(249,736)	(244,180)
Gross profit		183,154	180,244
Other items of income/(expenses)			
Other revenue	5	5,349	3,265
Selling and marketing expenses		(77,263)	(79,295)
General and administration expenses		(33,508)	(30,349)
Investment related activities		(406)	1,457
Finance costs	7	(308)	(371)
Other operating expenses	5	(73,254)	(71,793)
Exceptional items	6	(43,998)	(3,285)
Share of results of an associated company	14	–	(4)
Share of results of a joint venture company	15	736	770
(Loss)/profit before taxation	8	(39,498)	639
Income tax expense	9	(1,383)	(464)
(Loss)/profit for the financial year, net of taxation		(40,881)	175
Other comprehensive income/(expenses):			
Items that may be reclassified subsequently to profit or loss			
Reclassification adjustment for losses/(gain) on cessation/disposal of foreign operations		883	(375)
Foreign currency translation	29(a)	(5,266)	(618)
Other comprehensive expenses for the financial year, net of taxation		(4,383)	(993)
Total comprehensive loss for the financial year		(45,264)	(818)
(Loss)/profit attributable to:			
Owners of the Company		(40,839)	231
Non-controlling interests		(42)	(56)
		(40,881)	175
Total comprehensive loss attributable to:			
Owners of the Company		(45,251)	(779)
Non-controlling interests		(13)	(39)
		(45,264)	(818)
Earnings per share attributable to owners of the Company (cents per share):			
Basic	10	(32.50)	0.18
Diluted	10	(32.50)	0.18

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2015

(In Singapore Dollars)

		Group		Company	
	Note	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	30,866	40,861	517	234
Intangible assets	12	36,572	76,590	–	–
Interest in subsidiary companies	13	–	–	94,633	96,199
Investment in an associated company	14	–	273	–	–
Investment in a joint venture company	15	1,708	2,002	–	–
Long-term investments	16	8,194	10,428	–	–
Other debtors	19	6,720	6,751	–	–
Prepayments and other recoverables	19	3,144	1,956	–	–
Deferred tax assets	27	1,333	1,092	–	–
		88,537	139,953	95,150	96,433
Current assets					
Stocks	17	44,929	48,875	–	–
Trade debtors	18	67,728	64,137	–	–
Other debtors	19	8,178	9,249	187	292
Prepayments and other recoverables	19	1,639	4,238	80	18
Amounts due from subsidiary companies	20	–	–	184,858	170,116
Fixed deposits (restricted)	21	3,221	4,004	–	–
Cash and cash equivalents	21	44,526	46,326	13,005	14,857
		170,221	176,829	198,130	185,283
Total assets		258,758	316,782	293,280	281,716
EQUITY AND LIABILITIES					
Current liabilities					
Trade creditors	22	41,870	39,888	–	–
Other creditors and accruals	23	42,117	46,225	1,664	2,262
Deferred income		20	74	–	–
Provision for reinstatement costs	24	1,225	887	–	–
Amounts due to subsidiary companies	25	–	–	142,159	183,258
Loans and borrowings	26	2,714	9,391	1,000	4,000
Tax payable		2,622	2,876	11	–
		90,568	99,341	144,834	189,520
Net current assets/(liabilities)		79,653	77,488	53,296	(4,237)

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The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS (CONT'D)

AS AT 31 DECEMBER 2015

(In Singapore Dollars)

	Note	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
EQUITY AND LIABILITIES (CONT'D)					
Non-current liabilities					
Deferred income		3	5	–	–
Provision for reinstatement costs	24	4,330	4,631	100	100
Loans and borrowings	26	332	415	–	–
Deferred tax liabilities	27	2,663	3,640	192	192
		7,328	8,691	292	292
Total liabilities		97,896	108,032	145,126	189,812
Net assets		160,862	208,750	148,154	91,904
Equity attributable to owners of the company					
Share capital	28	64,461	64,461	64,461	64,461
Retained earnings		101,903	145,255	75,218	18,968
Other reserves	29	(6,144)	(1,734)	–	–
Merger reserve	30	–	–	8,475	8,475
		160,220	207,982	148,154	91,904
Non-controlling interests	13	642	768	–	–
Total equity		160,862	208,750	148,154	91,904
Total equity and liabilities		258,758	316,782	293,280	281,716

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The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

(In Singapore Dollars)

	Attributable to owners of the Company						Total equity attributable to owners of the Company		Non-controlling interests	Total equity
	Share capital	Retained earnings	Other reserves, total	Foreign currency translation reserve	Discount on acquisition of non-controlling interests	Gain on purchase of treasury shares by a subsidiary company				
	(Note 28)	(Note 29)	(Note 29)	(Note 29(a))	(Note 29(b))	(Note 29(c))	\$'000	\$'000	\$'000	\$'000
Group 2015										
Balance at 1 January 2015	64,461	145,255	(1,734)	(8,367)	6,115	518	207,982	768	208,750	
Loss for the financial year	–	(40,839)	–	–	–	–	(40,839)	(42)	(40,881)	
<u>Other comprehensive expense</u>										
Realised translation losses reclassified to the income statement	–	–	883	883	–	–	883	–	883	
Foreign currency translation	–	–	(5,295)	(5,295)	–	–	(5,295)	29	(5,266)	
Other comprehensive (expense)/income for the financial year, net of taxation	–	–	(4,412)	(4,412)	–	–	(4,412)	29	(4,383)	
Total comprehensive expense for the financial year	–	(40,839)	(4,412)	(4,412)	–	–	(45,251)	(13)	(45,264)	
<u>Contributions by and distributions to owners</u>										
Dividend on ordinary shares (Note 31)	–	(2,513)	–	–	–	–	(2,513)	–	(2,513)	
Dividend paid to non-controlling interests of a subsidiary company	–	–	–	–	–	–	–	(109)	(109)	
Total contributions by and distributions to owners	–	(2,513)	–	–	–	–	(2,513)	(109)	(2,622)	
<u>Changes in ownership interest in subsidiaries</u>										
Acquisition of non-controlling interest	–	–	2	–	2	–	2	(4)	(2)	
Total changes in ownership interest in subsidiaries	–	–	2	–	2	–	2	(4)	(2)	
Total transactions with owners in their capacity as owners	–	(2,513)	2	–	2	–	(2,511)	(113)	(2,624)	
Balance at 31 December 2015	64,461	101,903	(6,144)	(12,779)	6,117	518	160,220	642	160,862	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

(In Singapore Dollars)

	Attributable to owners of the Company						Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Retained earnings	Other reserves, total	Foreign currency translation reserve	Discount on acquisition of non-controlling interests	Gain on purchase of treasury shares by a subsidiary company			
	(Note 28)		(Note 29)	(Note 29(a))	(Note 29(b))	(Note 29(c))			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Group 2014									
Balance at 1 January 2014	64,461	147,537	(761)	(7,357)	6,078	518	211,237	965	212,202
Profit for the financial year	–	231	–	–	–	–	231	(56)	175
<u>Other comprehensive expense</u>									
Realised translation gain reclassified to the income statement	–	–	(375)	(375)	–	–	(375)	–	(375)
Foreign currency translation	–	–	(635)	(635)	–	–	(635)	17	(618)
Other comprehensive (expense)/ income for the financial year, net of taxation	–	–	(1,010)	(1,010)	–	–	(1,010)	17	(993)
Total comprehensive (expense)/ income for the financial year	–	231	(1,010)	(1,010)	–	–	(779)	(39)	(818)
<u>Contributions by and distributions to owners</u>									
Dividend on ordinary shares (Note 31)	–	(2,513)	–	–	–	–	(2,513)	–	(2,513)
Total contributions by and distributions to owners	–	(2,513)	–	–	–	–	(2,513)	–	(2,513)
<u>Changes in ownership interest in subsidiaries</u>									
Acquisition of non-controlling interest	–	–	37	–	37	–	37	(158)	(121)
Total changes in ownership interest in subsidiaries	–	–	37	–	37	–	37	(158)	(121)
Total transactions with owners in their capacity as owners	–	(2,513)	37	–	37	–	(2,476)	(158)	(2,634)
Balance at 31 December 2014	64,461	145,255	(1,734)	(8,367)	6,115	518	207,982	768	208,750

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

(In Singapore Dollars)

	Share capital (Note 28) \$'000	Retained earnings * \$'000	Merger reserve (Note 30) \$'000	Total equity \$'000
Company				
2015				
Balance at 1 January 2015	64,461	18,968	8,475	91,904
Profit for the financial year	–	58,763	–	58,763
Total comprehensive income for the financial year	–	58,763	–	58,763
<u>Contributions by and distributions to owners</u>				
Dividend on ordinary shares (Note 31)	–	(2,513)	–	(2,513)
Total contributions by and distributions to owners	–	(2,513)	–	(2,513)
Balance at 31 December 2015	64,461	75,218	8,475	148,154
2014				
Balance at 1 January 2014	64,461	48,681	8,475	121,617
Loss for the financial year	–	(27,200)	–	(27,200)
Total comprehensive expenses for the financial year	–	(27,200)	–	(27,200)
<u>Contributions by and distributions to owners</u>				
Dividend on ordinary shares (Note 31)	–	(2,513)	–	(2,513)
Total contributions by and distributions to owners	–	(2,513)	–	(2,513)
Balance at 31 December 2014	64,461	18,968	8,475	91,904

* It includes an amount of \$32,617,000 (2014: \$32,617,000), which relates to the gain resulting from an internal restructuring of certain subsidiary companies in 1999. This amount is non-distributable in accordance with the Company's Memorandum and Articles of Association.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

(In Singapore Dollars)

	Group	
	2015 \$'000	2014 \$'000
Cash flows from operating activities		
(Loss)/profit before taxation	(39,498)	639
<u>Adjustments for:</u>		
Dividend income	(291)	(300)
Interest income	(194)	(21)
Interest expense	308	371
Share of results of an associated company	–	4
Share of results of a joint venture company	(736)	(770)
Depreciation of property, plant and equipment	13,728	12,937
Fair value changes of financial instruments:		
– Loss on investment funds at fair value through profit or loss	406	275
Gain on disposal of interest in subsidiary companies	–	(1,734)
Allowance for impairment on trade debtors	751	759
Allowance for impairment of investment in an associated company	273	–
Allowance for impairment on unquoted investment funds	1,616	–
Amortisation of intangible assets	2,444	2,800
Net loss/(gain) on disposal of property, plant and equipment	86	(29)
Stocks written down	3,862	2,217
Property, plant and equipment written off	2,684	62
Allowance for impairment on property, plant and equipment	1,499	–
Write-off of non-trade debtor	–	101
Write-back of provision for reinstatement cost	(290)	(233)
Impairment loss on intangible assets	37,150	463
Realised translation losses/(gain) reclassified to the income statement	883	(375)
Operating cash flows before working capital changes	24,681	17,166
<u>Increase in assets:</u>		
Stocks	(2,460)	(8,774)
Trade and other debtors	(5,572)	(9,682)
<u>(Decrease)/increase in liabilities:</u>		
Trade and other creditors	(245)	9,692
Net cash generated from operations	16,404	8,402
Tax paid	(2,964)	(1,010)
Interest paid	(308)	(371)
Interest received	191	19
Net cash flows generated from operating activities	13,323	7,040

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

(In Singapore Dollars)

	Group	
	2015 \$'000	2014 \$'000
Cash flows from investing activities		
Disposal of interests of subsidiary companies	–	1,255
Dividend income received	291	300
Dividend received from a joint venture company	1,030	835
Proceeds on disposal of property, plant and equipment	112	78
Proceeds from return of capital from investment funds	213	257
Purchase of property, plant and equipment	(7,769)	(18,115)
Purchase of investment funds	–	(800)
Net cash flows used in investing activities	(6,123)	(16,190)
Cash flows from financing activities		
Repayment of obligations under finance leases	(117)	(120)
Dividend on ordinary shares	(2,513)	(2,513)
Proceeds from bank borrowings	14,419	26,305
Dividends paid to minority shareholders of a subsidiary company	(109)	–
Repayment of bank borrowings	(20,551)	(23,369)
Acquisition of non-controlling interests (Note 13)	(2)	(121)
Decrease/(increase) in fixed deposits pledged with banks	728	(148)
Net cash flows (used in)/generated from financing activities	(8,145)	34
Net decrease in cash and cash equivalents	(945)	(9,116)
Cash and cash equivalents at beginning of financial year	46,326	55,867
Effect of exchange rate changes on cash and cash equivalents	(855)	(425)
Cash and cash equivalents at end of financial year (Note A)	44,526	46,326

(A) Analysis of the balances of cash and cash equivalents

	Group	
	2015 \$'000	2014 \$'000
Fixed deposits (restricted)	3,221	4,004
Fixed deposits (current)	5,213	4,798
Cash and bank balances	39,313	41,528
	47,747	50,330
Fixed deposits pledged with banks (Note 21)	(3,221)	(4,004)
	44,526	46,326

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group, and the balance sheet and the statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars (SGD or \$), and all values are rounded to the nearest thousand (\$'000), except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1: Disclosure Initiative	1 January 2016
Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 111: Accounting for Acquisition of Interests in Joint Operations	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 <i>Non-current Assets Held for Sales and Discontinued Operations</i>	1 January 2016
(b) Amendments to FRS 107 <i>Financial Instruments Disclosures</i>	1 January 2016
(c) Amendments to FRS 19 <i>Employee Benefits</i>	1 January 2016
(d) Amendments to FRS 34 <i>Interim Financial Reporting</i>	1 January 2016
FRS 115: Revenue From Contracts With Customers	1 January 2018
FRS 109: Financial Instruments	1 January 2018

Except for the impact of FRS 115 and FRS 109 as described below, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, consideration payable to customers, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Standards issued but not yet effective (cont'd)

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

The Group currently measures investments in unquoted investment funds at cost. Under FRS 109, the Group will be required to measure the investment at fair value. Any difference between the previous carrying amount and the fair value would be recognised in the opening retained earnings when the Group applies FRS 109. FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

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2.4 Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 1 to 10 (2014: 1 to 10) years. Changes in the expected level of usage could impact the economic useful lives of these assets; therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at the end of each reporting period is disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgements (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

Impairment of non-financial assets

As disclosed in Note 12 of the financial statements, the recoverable amounts of the cash generating units which goodwill and trademarks have been allocated to are determined based on value in use calculations. The value in use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 12 to the financial statements.

The carrying amount of the intangible assets as at 31 December 2015 is \$36,572,000 (2014: \$76,590,000).

Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and the Company's loans and receivables at the end of each reporting period are disclosed in Note 21 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised on the unused tax losses.

The carrying amount of the Group's deferred tax assets, and recognised and unrecognised tax losses at the balance sheet date are disclosed in Note 27 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant accounting estimates and judgements (cont'd)

(b) Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Operating lease commitments – as lessor

The Group has entered into operating leases with the landlords on its food court premises. The Group licences the use of the food and beverage stalls within the food courts to individual stallholders. The Group has determined that these are operating lease arrangements where significant risks and rewards of these food court premises have not been transferred.

Stocks and allowance for net realisable value write down

The Group reviews periodically for any excess stocks and decline in net realisable value below cost. An allowance is recorded against the stocks balance for such declines. These reviews require the Group to consider the future saleability of the stocks.

In determining the amount of allowance or write down, the Group considers factors including the ageing analysis by expiry date and the consumption patterns. Such an evaluation process requires judgment and affects the carrying amount of stocks at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the stocks. The carrying amount of stocks at the end of the reporting year is disclosed in Note 17.

2.5 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the end of the reporting period. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary company are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Basis of consolidation and business combinations (cont'd)

(a) *Basis of consolidation (cont'd)*

A change in the ownership interest of a subsidiary company, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.14. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Basis of consolidation and business combinations (cont'd)

(b) *Business combinations and goodwill (cont'd)*

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than carrying amount, an impairment loss is recognized in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

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2.6 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary companies and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Foreign currency (cont'd)

(b) Consolidated financial statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary company that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.8 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Sale of food and beverage

Revenue from sale of food and beverage is recognised upon the delivery to and acceptance by customers, net of discounts.

(c) Fees charged to food court tenants

Fixed rental income from the sub-lease of food courts is recognised as income in profit or loss on a straight line basis over the lease term. The variable portion of the rental income which is computed based on a percentage of the food court tenants' gross sales is recognised when such sales are earned.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Revenue (cont'd)

(d) *Interest income*

Interest income is recognised using the effective interest method.

(e) *Dividend income*

Dividend income is recognised when the Group's right to receive payment is established.

(f) *Royalty and franchise income*

Royalty income is recognised based on percentage of sales to the franchisees. Franchise income under the 'Delifrance' trademark is recognised in accordance with the underlying agreements.

2.9 Employee benefits

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the projected unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

2.10 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

2.12 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

2.13 Depreciation

Depreciation of a property, plant and equipment begins when it is available for use and is calculated on the straight-line method to write off the costs of property, plant and equipment over their estimated useful lives as follows:–

Leasehold land and improvements, and factory and office buildings	– Over period of lease ranging from 5 to 50 years or useful life, whichever is shorter
Plant and other equipment	– 1 to 10 years
Food court equipment	– 6 years
Motor vehicles	– 3 to 10 years

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Construction-in-progress is not depreciated as the asset is not available for use.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets relating to unpatented technology, customer relationships, management service agreement, and order backlog acquired in a business combination have finite useful lives and are measured at cost less accumulated amortisation and impairment losses. These intangible assets are amortised in profit or loss on a straight-line basis over their estimated useful lives as follows:

Unpatented technology	10 years
Customer relationships	10 years
Management service agreement	3 years
Order backlog	1 year

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Trademarks

Trademarks were acquired in business combinations. The useful life of the "Food Junction" trademark is estimated to be indefinite given that no legal, regulatory, contractual, competitive, economic or any other factors limit the life of the trademarks. As a result, trademarks would not be amortised until the useful life is determined to be finite. Trademarks would be tested for impairment in accordance with FRS 36 annually and whenever there is an indication that it may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Investments in subsidiary companies

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less any accumulated impairment losses.

2.16 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

Joint ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.17.

2.17 Investment in a joint venture company and an associated company

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Investment in a joint venture company and an associated company (cont'd)

Under the equity method, the investment in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.18 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition. The Group does not have any financial assets designated as held-to-maturity investments.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Available-for-sale financial assets

Available-for-sale financial assets include equity securities. Equity investments classified as available-for-sale are those, which are neither classified as held-for-trading nor designated at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Financial assets (cont'd)

Subsequent measurement (cont'd)

Available-for-sale financial assets (cont'd)

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity securities whose fair value cannot be reliably measured are measured at cost less any accumulated impairment losses.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised directly in other comprehensive income is recognised in profit or loss.

2.19 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Stocks

Stocks are stated at the lower of cost and net realisable value. Costs incurred in bringing the stocks to their present location and condition are accounted for as follows:

- Raw materials and stores: Purchase costs on a weighted-average basis; and
- Finished goods and goods for sale: Costs of direct materials, labour and production overheads based on the level of normal activity, assigned on a weighted-average basis.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.21 Impairment of assets

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(a) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Impairment of assets (cont'd)

(a) Impairment of financial assets (cont'd)

Financial assets carried at amortised cost (cont'd)

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Impairment of assets (cont'd)

(b) *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.22 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.24 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relating to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided, using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiary companies, associated company and joint venture company, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.24 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiary companies, associated company and joint venture company, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) *Goods and services tax*

Revenues, expenses and assets are recognised net of the amount of goods and services tax, except:

- Where the goods and services tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of goods and services tax included.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Leases

(a) *As lessee*

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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(b) *As lessor*

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.8(c). Contingent rents are recognised as revenue in the period in which they are earned.

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 37 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.27 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

APPENDIX E – UNAUDITED FINANCIAL INFORMATION OF THE GROUP FOR FY2016

AURIC

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

Unaudited Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 2016

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

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

Consolidated Statement of Comprehensive Income

	Note	GROUP					
		4th Quarter Ended 31 December			Year Ended 31 December		
		2016	2015	Change	2016	2015	Change
		S\$'000	S\$'000	+/(-)%	S\$'000	S\$'000	+/(-)%
			(Restated)			(Restated)	
Revenue		106,431	107,967	(1.4)	423,984	432,883	(2.1)
Cost of revenue		(61,666)	(63,383)	(2.7)	(238,774)	(249,736)	(4.4)
Gross profit		44,765	44,584	0.4	185,210	183,147	1.1
Other revenue		1,487	1,302	14.2	5,718	5,356	6.8
Selling and marketing expenses		(16,684)	(19,080)	(12.6)	(71,718)	(77,729)	(7.7)
General and administration expenses		(11,235)	(10,604)	6.0	(32,965)	(34,727)	(5.1)
Other operating expenses		(18,153)	(42,211)	(57.0)	(74,794)	(121,497)	(38.4)
Finance costs		(35)	(61)	(42.6)	(123)	(308)	(60.1)
Share of results of a joint venture company		118	74	59.5	557	736	(24.3)
Profit/(loss) before taxation	1	263	(25,996)	n.m.	11,885	(45,022)	n.m.
Income tax (expense)/credit	2	(550)	6,790	n.m.	(4,579)	4,141	n.m.
(Loss)/profit for the financial year, net of taxation		(287)	(19,206)	(98.5)	7,306	(40,881)	n.m.
Other comprehensive income/(expense):							
- Reclassification adjustment for gain on disposal of a foreign operation		-	883	(100.0)	-	883	(100.0)
- Foreign currency translation		90	479	(81.2)	363	(5,266)	n.m.
Other comprehensive income/(expense) for the financial year, net of taxation		90	1,362	(93.4)	363	(4,383)	n.m.
Total comprehensive (expense)/income for the financial year		(197)	(17,844)	(98.9)	7,669	(45,264)	n.m.
(Loss)/profit attributable to:							
Owners of the Company		(299)	(19,159)	(98.4)	7,212	(40,839)	n.m.
Non-controlling interests		12	(47)	n.m.	94	(42)	n.m.
		(287)	(19,206)	(98.5)	7,306	(40,881)	n.m.
Total comprehensive (expense)/income attributable to:							
Owners of the Company		(243)	(17,810)	(98.6)	7,551	(45,251)	n.m.
Non-controlling interests		46	(34)	n.m.	118	(13)	n.m.
		(197)	(17,844)	(98.9)	7,669	(45,264)	n.m.

n.m. = not meaningful

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

1(a)(ii) Additional information on the Group Statement of Comprehensive Income

	GROUP					
	4th Quarter Ended 31 December			Year Ended 31 December		
	2016	2015	Change	2016	2015	Change
	S\$'000	S\$'000	+ / (-) %	S\$'000	S\$'000	+ / (-) %
	(Restated)			(Restated)		
1 Profit/(loss) before taxation						
Profit/(loss) before taxation included the following for the financial year ended 31 December:						
Amortisation of intangible assets	(344)	(344)	-	(1,376)	(2,444)	(43.7)
Impairment loss on intangible assets	(2,136)	(22,674)	(90.6)	(2,136)	(42,674)	(95.0)
Allowance for impairment on trade debtors	(111)	(730)	(84.8)	(458)	(751)	(39.0)
Depreciation of property, plant and equipment	(2,842)	(3,128)	(9.1)	(11,180)	(13,728)	(18.6)
Dividend income	-	79	(100.0)	67	291	(77.0)
Fair value changes of financial instruments :						
- Gain/(loss) on investment funds at fair value through profit or loss	39	(78)	n.m.	(113)	(406)	(72.2)
Allowance for impairment on unquoted investment funds	-	(1,616)	(100.0)	(5,561)	(1,616)	>100
Realised translation loss reclassified to the income statement	-	(883)	(100.0)	-	(883)	(100.0)
Foreign exchange loss	(513)	(184)	>100	(482)	(930)	(48.2)
Allowance for impairment on investment in an associated company	-	-	-	-	(273)	(100.0)
Interest income	143	166	(13.9)	450	194	>100
Write-back of provision for reinstatement cost	138	290	(52.4)	138	290	(52.4)
Loss on disposal of interest in subsidiary companies	(18)	-	100.0	(18)	-	100.0
Net loss on disposal of property, plant and equipment	(15)	(10)	50.0	(141)	(86)	64.0
Property, plant and equipment written off	(15)	(678)	(97.8)	(156)	(2,684)	(94.2)
Allowance for impairment on property, plant and equipment	(2,251)	(1,499)	50.2	(4,024)	(1,499)	>100
Stocks written down	(816)	(1,645)	(50.4)	(4,684)	(3,862)	21.3
2 Income tax expense						
The charge for income tax expense includes the following:						
Overprovision in respect of prior year	1,056	1,123	(6.0)	898	834	7.7

n.m. = not meaningful

AURIC PACIFIC GROUP LIMITED

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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.

Statements of Financial Position

	GROUP		COMPANY	
	As at 31 December 2016 S\$'000	As at 31 December 2015 S\$'000 (Restated)	As at 31 December 2016 S\$'000	As at 31 December 2015 S\$'000 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	20,304	30,866	419	517
Intangible assets	36,292	39,404	-	-
Investments in subsidiary companies	-	-	63,129	94,633
Investment in a joint venture company	2,265	1,708	-	-
Long-term investments	2,520	8,194	-	-
Other debtors	6,737	6,720	-	-
Prepayments and other recoverables	457	3,144	-	-
Deferred tax assets	885	1,333	-	-
	69,460	91,369	63,548	95,150
Current assets				
Stocks	47,098	44,929	-	-
Trade debtors	66,281	67,728	-	-
Other debtors	5,404	8,178	189	187
Prepayments and other recoverables	1,420	1,639	56	80
Amounts due from subsidiary companies	-	-	110,126	172,941
Fixed deposits (restricted)	1,955	3,221	-	-
Cash and cash equivalents	88,138	44,526	39,649	13,005
	210,296	170,221	150,020	186,213
Total assets	279,756	261,590	213,568	281,363
EQUITY AND LIABILITIES				
Current liabilities				
Trade creditors	(47,605)	(41,870)	-	-
Other creditors and accruals	(47,220)	(42,117)	(2,546)	(1,664)
Deferred income	(12)	(20)	-	-
Provision for reinstatement costs	(1,256)	(1,225)	-	-
Amounts due to subsidiary companies	-	-	(75,335)	(130,242)
Loans and borrowings	(2,395)	(2,714)	-	(1,000)
Tax payable	(4,840)	(2,622)	(130)	(11)
	(103,328)	(90,568)	(78,011)	(132,917)
Net current assets	106,968	79,653	72,009	53,296
Non-current liabilities				
Deferred income	(14)	(3)	-	-
Provision for reinstatement costs	(3,711)	(4,330)	(100)	(100)
Loans and borrowings	(248)	(332)	-	-
Deferred tax liabilities	(3,924)	(5,495)	(279)	(192)
	(7,897)	(10,160)	(379)	(292)
Total liabilities	(111,225)	(100,728)	(78,390)	(133,209)
Net assets	168,531	160,862	135,178	148,154

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Statements of Financial Position (continued)

	GROUP		COMPANY	
	As at 31 December 2016 S\$'000	As at 31 December 2015 S\$'000 (Restated)	As at 31 December 2016 S\$'000	As at 31 December 2015 S\$'000 (Restated)
EQUITY AND LIABILITIES (CONT'D)				
Equity attributable to owners of the Company				
Share capital	64,461	64,461	64,461	64,461
Retained earnings	109,115	101,903	62,242	75,218
Other reserves	(5,805)	(6,144)	-	-
Merger reserve	-	-	8,475	8,475
	167,771	160,220	135,178	148,154
Non-controlling interests	760	642	-	-
Total equity	168,531	160,862	135,178	148,154
Total equity and liabilities	279,756	261,590	213,568	281,363

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

	Note	GROUP		COMPANY	
		As at 31 December 2016 S\$'000	As at 31 December 2015 S\$'000	As at 31 December 2016 S\$'000	As at 31 December 2015 S\$'000
Repayable within one year (unsecured)		2,311	2,630	-	1,000
Repayable within one year (secured)	(i)	84	84	-	-
Repayable after one year (secured)	(i)	248	332	-	-
		2,643	3,046	-	1,000

Note (i)

As at 31 December 2016, the finance lease liability repayable within one year and after one year of \$84,000 (31 December 2015: \$84,000) and \$248,000 (31 December 2015: \$332,000) respectively was secured by the related leased assets.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

Consolidated Statement of Cash Flows

	GROUP			
	4th Quarter Ended 31 December		Year Ended 31 December	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated)		(Restated)
Cash flows from operating activities				
Profit/(loss) before taxation	263	(25,996)	11,885	(45,022)
Adjustments for:				
Dividend income	-	(79)	(67)	(291)
Interest income	(143)	(166)	(450)	(194)
Interest expense	35	61	123	308
Share of results of a joint venture company	(118)	(74)	(557)	(736)
Allowance for impairment on trade debtors	111	730	458	751
Stocks written down	816	1,645	4,684	3,862
Amortisation of intangible assets	344	344	1,376	2,444
Impairment loss on intangible assets	2,136	22,674	2,136	42,674
Depreciation of property, plant and equipment	2,842	3,128	11,180	13,728
Fair value changes of financial instruments:				
- (Gain)/loss on investment funds at fair value through profit or loss	(39)	78	113	406
Allowances for impairment of investment in an associated company	-	-	-	273
Allowance for impairment on unquoted investment funds	-	1,616	5,561	1,616
Property, plant and equipment written off	15	678	156	2,684
Allowance for impairment on property, plant and equipment	2,251	1,499	4,024	1,499
Write-back of provision for reinstatement cost	(138)	(290)	(138)	(290)
Net loss on disposal of property, plant and equipment	15	10	141	86
Loss on disposal of interests in subsidiary companies	18	-	18	-
Realised translation loss reclassified to the income statement	-	883	-	883
Operating cash flows before working capital changes	8,408	6,741	40,643	24,681
<u>(Increase)/decrease in assets:</u>				
Stocks	(11,178)	(4,027)	(6,993)	(2,460)
Trade and other debtors	(1,560)	(7,503)	6,056	(5,572)
<u>Increase/(decrease) in liabilities:</u>				
Trade and other creditors	11,969	9,506	10,296	(245)
Net cash generated from operations	7,639	4,717	50,002	16,404
Tax paid	(706)	(1,105)	(2,979)	(2,964)
Interest paid	(35)	(61)	(123)	(308)
Interest received	144	166	445	191
Net cash flows generated from operating activities	7,042	3,717	47,345	13,323

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Consolidated Statement of Cash Flows (continued)

	GROUP		GROUP	
	4th Quarter Ended 31 December		Year Ended 31 December	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated)		(Restated)
Cash flows from investing activities				
Dividend income received	-	79	67	291
Dividend income received from a joint venture company	-	1,030	-	1,030
Proceeds from disposal of property, plant and equipment	35	7	339	112
Proceeds from return of capital from investment funds	-	-	-	213
Purchase of property, plant and equipment	(1,335)	(1,751)	(5,029)	(7,769)
Net cash flows used in investing activities	(1,300)	(635)	(4,623)	(6,123)
Cash flows from financing activities				
Acquisition of non-controlling interests	-	-	-	(2)
Repayment of obligations under finance leases	(21)	(21)	(84)	(117)
Repayment of bank borrowings	-	(3,482)	(5,872)	(20,551)
Proceeds from bank borrowings	2,387	2,933	5,571	14,419
Dividends paid to minority shareholders of a subsidiary company	-	-	-	(109)
Decrease in fixed deposits pledged with the banks	846	141	1,305	728
Dividend on ordinary shares	-	-	-	(2,513)
Net cash flows generated from/(used in) financing activities	3,212	(429)	920	(8,145)
Net increase/(decrease) in cash and cash equivalents	8,954	2,653	43,642	(945)
Cash and cash equivalents at beginning of year	78,933	37,323	44,526	46,326
Effect of exchange rate changes on cash and cash equivalent held in foreign currencies	251	4,550	(30)	(855)
Cash and cash equivalents at end of financial year (Note 1)	88,138	44,526	88,138	44,526

Note 1

Analysis of balances of cash and cash equivalents as shown on the balance sheets:

	GROUP	
	Year Ended 31 December	
	2016	2015
	S\$'000	S\$'000
Fixed deposits (restricted)	1,955	3,221
Fixed deposits (current)	645	5,213
Cash and bank balances	87,493	39,313
	90,093	47,747
Fixed deposits pledged with the bank [Note (a)]	(1,955)	(3,221)
	88,138	44,526

Note (a)

This relates to:

- (i) S\$1.1 million (2015: S\$2.0 million) was pledged to banks as security for banker's guarantees issued in lieu of rental deposits;
- (ii) S\$0.9 million (2015: S\$0.9 million) banker's guarantee for issuance of utility and rental deposits; and
- (iii) In 2015, S\$0.3 million was pledged to bank as security for overdraft facility.

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

Statements of changes in equity

Group

	Attributable to owners of the Company								
	Share capital S\$'000	Retained earnings S\$'000	Other reserves, total S\$'000	Foreign currency translation reserve S\$'000	Discount on acquisition of non- controlling interests S\$'000	Gain on purchase of treasury shares by a subsidiary company S\$'000	Total equity attributable to owners of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
2016									
Balance at 1 January 2016	64,461	101,903	(6,144)	(12,779)	6,117	518	160,220	642	160,862
Profit for the financial year	-	7,212	-	-	-	-	7,212	94	7,306
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	339	339	-	-	339	24	363
Other comprehensive income for the financial year, net of tax	-	-	339	339	-	-	339	24	363
Total comprehensive income for the financial year	-	7,212	339	339	-	-	7,551	118	7,669
Balance at 31 December 2016	64,461	109,115	(5,805)	(12,440)	6,117	518	167,771	760	168,531
2015									
Balance at 1 January 2015	64,461	145,255	(1,734)	(8,367)	6,115	518	207,982	768	208,750
Loss for the financial year	-	(40,839)	-	-	-	-	(40,839)	(42)	(40,881)
<u>Other comprehensive (expense)/income</u>									
Realised translation losses reclassified to the income statement	-	-	883	883	-	-	883	-	883
Foreign currency translation	-	-	(5,295)	(5,295)	-	-	(5,295)	29	(5,266)
Other comprehensive (expense)/income for the financial year, net of tax	-	-	(4,412)	(4,412)	-	-	(4,412)	29	(4,383)
Total comprehensive expense for the financial year	-	(40,839)	(4,412)	(4,412)	-	-	(45,251)	(13)	(45,264)
<u>Contributions by and distributions to owners</u>									
Dividend on ordinary shares	-	(2,513)	-	-	-	-	(2,513)	-	(2,513)
Dividend paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	-	(109)	(109)
Total contributions by and distributions to owners	-	(2,513)	-	-	-	-	(2,513)	(109)	(2,622)
<u>Changes in ownership interest in subsidiaries</u>									
Acquisition of non-controlling interest	-	-	2	-	2	-	2	(4)	(2)
Total changes in ownership interest in subsidiaries	-	-	2	-	2	-	2	(4)	(2)
Total transactions with owners in their capital as owners	-	(2,513)	2	-	2	-	(2,511)	(113)	(2,624)
Balance at 31 December 2015	64,461	101,903	(6,144)	(12,779)	6,117	518	160,220	642	160,862

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Statements of changes in equity (continued)

Company

	Attributable to owners of the Company			
	Share capital S\$'000	Retained earnings S\$'000	Merger reserve S\$'000	Total equity S\$'000
2016				
Balance at 1 January 2016	64,461	75,218	8,475	148,154
Loss for the financial year	-	(12,976)	-	(12,976)
Total comprehensive expense for the financial year	-	(12,976)	-	(12,976)
Balance at 31 December 2016	64,461	62,242	8,475	135,178
2015				
Balance at 1 January 2015	64,461	18,968	8,475	91,904
Profit for the financial year	-	58,763	-	58,763
Total comprehensive income for the financial year	-	58,763	-	58,763
<u>Contributions by and distributions to owners</u>				
Dividend on ordinary shares	-	(2,513)	-	(2,513)
Total contributions by and distributions to owners	-	(2,513)	-	(2,513)
Balance at 31 December 2015	64,461	75,218	8,475	148,154

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

There were no changes in the Company's issued share capital since the end of the previous year reported on.

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

There are no treasury shares issued by the Company. Total number of issued shares as at 31 December 2016 and 31 December 2015 was 125,667,324.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at 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.**

The figures in the announcement have not been audited or reviewed by the auditors.

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

Not applicable.

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

Except as disclosed below, the accounting policies and methods of computation adopted in the financial statements for the current reporting year are consistent with those disclosed in the audited financial statements as at 31 December 2016.

The Group previously recognised deferred tax on indefinite life intangible assets on the presumption that the carrying amount of the indefinite life intangible assets are recovered through sale as the indefinite life intangible assets are not amortised.

In 2016, the IFRS Interpretations Committee (IFRIC) issued an agenda decision which observes that the reason for not amortising an indefinite life intangible asset is not because there is no consumption of the future economic benefits embodied in the asset. Therefore, the determination of tax consequences of an indefinite life intangible assets shall reflect the expected manner of recovery of the carrying amount of the assets either through use or through sale. Based on the IFRIC agenda decision, the Group has reassessed and determined that the carrying amount of the indefinite life intangible assets are to be recovered through use.

The change in accounting policy has been applied retrospectively. The effects of the change are as follows:

	As at 31 December 2016 \$'000	Group As at 31 December 2015 (Restated) \$'000	As at 1 January 2015 (Restated) \$'000
Increase in:			
<u>Consolidated income statement</u>			
Loss before taxation	–	(5,524)	–
Income tax credit	–	5,524	–
<u>Consolidated balance sheet</u>			
Deferred tax liabilities	(2,832)	(2,832)	(8,356)
Goodwill	2,832	2,832	8,356

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

Not applicable.

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

	GROUP			
	4th Quarter Ended 31 December		Year Ended 31 December	
	2016	2015	2016	2015
	cents	cents	cents	cents
(i) Basic EPS based on the weighted average number of ordinary shares on issue	(0.24)	(15.25)	5.74	(32.50)
(ii) Diluted EPS based on weighted average number of ordinary shares	(0.24)	(15.25)	5.74	(32.50)

Note:

Basic and diluted earnings per share were computed on the basis of the weighted average number of ordinary shares issued, which was 125,667,324 (31 December 2015: 125,667,324) during the financial year. There were no outstanding share options during the current reporting year.

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

	GROUP		Company	
	As at 31 December 2016	As at 31 December 2015	As at 31 December 2016	As at 31 December 2015
	\$	\$	\$	\$
Net asset value per ordinary share	1.34	1.27	1.08	1.18

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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.

Review of Income Statement

Revenue

The breakdown of revenue by business segments is shown in the table below.

		Revenue							
Note	4th Quarter Ended 31 December					Financial Year Ended 31 December			
	2016	2015	Variance		2016	2015	Variance		
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%	
<u>Food Division</u>									
Wholesale & distribution	(i)	62,533	60,913	1,620	2.7	246,033	242,898	3,135	1.3
Manufacturing	(ii)	14,022	12,759	1,263	9.9	56,440	50,562	5,878	11.6
<u>Food Retail Division</u>									
Edmonton	(iii)	17,432	19,141	(1,709)	(8.9)	68,789	78,608	(9,819)	(12.5)
Food Junction	(iv)	12,444	15,076	(2,632)	(17.5)	52,655	60,442	(7,787)	(12.9)
Other investments		-	78	(78)	(100.0)	67	373	(306)	(82.0)
		106,431	107,967	(1,536)	(1.4)	423,984	432,883	(8,899)	(2.1)

Group revenue for the year ended 31st December 2016 closed at S\$424.0 million or 2.1% lower than prior year due mainly to the loss of revenue resulting from the closure of non-performing outlets and restaurant business from the Food Retail Division and offset partially by growth registered by the Food Division. For the year :

- (i) Wholesale & distribution achieved higher revenue contributed by both Singapore and Malaysia markets. In local currency, Malaysia revenue grew by 1.9% for FY2016;
- (ii) Manufacturing continued its growth momentum. During the last quarter, the business updated and strengthened its product and brand identity with new and more exciting packaging;
- (iii) Edmonton recorded lower revenue as a result of the closure of non-performing outlets in Singapore, Malaysia and Hong Kong last year. During the year, Singapore and Hong Kong were impacted by further closure of 9 non-performing outlets. Overall sales in Hong Kong was hit by the weak retail and economic outlook which impacted customers' spending sentiment; and
- (iv) Food Junction returned lower revenue caused mainly by the closure of non-performing food courts and restaurants business in China in 2015 and further closure of 2 food courts and the 2 remaining non-performing restaurants in Singapore in 2016.

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Review of Income Statement (cont'd)

Profit before taxation

The Group reported profit before taxation (PBT) of S\$11.9 million in FY2016 as opposed to a loss before taxation of S\$45.0 million last year. The upswing in profitability in FY2016 was primarily attributable to the Group rationalization exercise to streamline its non-performing businesses and investments in FY2015. For the year :

- (i) Wholesale and distribution registered higher operating profit in FY2016, contributed mainly by Malaysia which benefited from higher sales from house brands products while the profitability of Singapore was hindered by higher operating expenses;
- (ii) Manufacturing closed the year with almost flat operating profit against last year due to higher marketing expenses;
- (iii) Edmontor lowered its operating loss in FY2016 driven by the continuing efforts undertaken by Singapore and Hong Kong in rationalizing the operations to achieve operational and cost efficiency and the absence of operating loss from Delifrance Malaysia. The operating results for the year included an impairment loss of S\$2.7 million for the Delifrance factory; and
- (iv) Food Junction turnaround its performance from a loss last year to a profit in FY2016 benefiting from improved performance from food courts and self-operated stalls in Singapore and rationalisation of operating costs including the closure of under-performing restaurants in 2015 and 2016. Performance in 4th quarter included an impairment charge of \$2.0 million for part of the intangible assets following a shift in strategic focus by the business.

Review of Financial Position

As at 31 December 2016, the Group's total equity stood at S\$168.5 million or S\$7.6 million higher than prior year. The increase was contributed largely from the profit posted for the year.

There are no other significant changes to the Statement of Financial Position except for the following:

- (i) lower property, plant and equipment due primarily to depreciation, disposal, allowance for impairment and write-off of assets, offset by the purchase of new assets;
- (ii) lower long-term investment due mainly to allowance for impairment on unquoted investment funds;
- (iii) higher stocks due to stocks built-up for upcoming Chinese New Year festival;
- (iv) lower trade debtors attributed to improved collection from customers;
- (v) lower other debtors and other recoverable due to reduction on tax recoverable and refundable deposits received from the closure of restaurants and outlets;
- (vi) higher trade creditors due mainly to increase in purchases in line with the stock build up; and
- (vii) higher other creditors and accruals due mainly to accrual for advertising and promotion and higher provision for operating expenses.

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Cash Flow Review

The Group cash and cash equivalents increased by S\$43.6 million from S\$44.5 million as at 31 December 2015 to S\$88.1 million as at 31 December 2016. The net cash increase was largely generated from operating activities, offset by capital expenditure and repayment of bank borrowings.

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

No forecast was previously disclosed on the Group's results for full year 2016.

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.

Our drive for business growth and rationalization have yielded results with a stronger landing in FY2016. However, in view of the challenges and uncertainties in the year ahead, our Group will continue to focus building stronger foundation for our core businesses and to seek new avenues and opportunities for business growth.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Nil.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$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 S\$100,000)
DBS Trustee Limited (in its capacity as trustee of OUE Commercial Real Estate Investment Trust)	S\$1,236,002	S\$1,236,002

14. Confirmation Pursuant to Rule 720(1) of the Listing Manual

Auric Pacific Group Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Please refer to next page for the segmental results.

AURIC PACIFIC GROUP LIMITED

(Co. Reg. No. 198802981D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Business Segment

For the financial year ended 31 December 2016

	Wholesale & Distribution \$'000	Manufacturing \$'000	Food Retail \$'000	Food Court \$'000	Investments \$'000	Adjustments and Eliminations \$'000	Note	Per Consolidated Financial Statements \$'000
Revenue:								
- External customers	246,033	56,440	68,789	52,655	67	-		423,984
- Inter-segment	15,941	466	8,284	-	-	(24,691)	(i)	-
Total revenue	261,974	56,906	77,073	52,655	67	(24,691)		423,984
Results:								
Interest income	387	-	-	37	26	-		450
Dividend income	-	-	-	-	67	-		67
Fair value loss on investment funds at fair value through profit or loss	-	-	-	-	(113)	-		(113)
Allowance for impairment on unquoted investment funds	-	-	-	-	(5,561)	-		(5,561)
Stocks written down	(4,540)	(144)	-	-	-	-		(4,684)
(Allowance)/write-back for impairment on trade debtors	(618)	-	222	(62)	-	-		(458)
Amortisation of intangible assets	-	-	-	(1,376)	-	-		(1,376)
Depreciation of property, plant and equipment	(1,175)	(1,598)	(3,535)	(4,591)	(281)	-		(11,180)
Property, plant and equipment written off	-	-	(130)	(26)	-	-		(156)
Allowance for impairment on property, plant and equipment	-	(74)	(2,762)	(1,188)	-	-		(4,024)
Write-back of provision for reinstatement cost	-	-	-	138	-	-		138
Loss on disposal of interest in subsidiary companies	-	-	-	(18)	-	-		(18)
Net (loss)/gain on disposal of property, plant and equipment	(56)	(69)	(55)	52	(13)	-		(141)
Impairment loss on intangible assets	(149)	-	-	(1,987)	-	-		(2,136)
Share of results of joint venture company	-	-	557	-	-	-		557
Segment profit/(loss)	13,638	10,263	(1,027)	1,948	(12,937)	-		11,885
Assets:								
Investments in joint venture company	-	-	2,265	-	-	-		2,265
Additions to non-current assets	601	580	1,197	2,582	226	-		5,186
Segment assets	133,290	14,000	29,409	63,644	39,413	-		279,756
Segment liabilities	(55,694)	(11,621)	(16,265)	(24,454)	(3,191)	-		(111,225)

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Business Segment (cont'd)

For the financial year ended 31 December 2015

	Wholesale & Distribution \$'000	Manufacturing \$'000	Food Retail \$'000	Food Court \$'000	Investments \$'000	Adjustments and Eliminations \$'000	Note	Per Consolidated Financial Statements \$'000
Revenue:								
- External customers	242,898	50,562	78,608	60,442	373	-		432,883
- Inter-segment	13,302	457	1,746	-	212	(15,717)	(i)	-
Total revenue	256,200	51,019	80,354	60,442	585	(15,717)		432,883
Results:								
Interest income	173	-	-	12	9	-		194
Dividend income	-	-	-	-	291	-		291
Fair value loss on investment funds at fair value through profit or loss	-	-	-	-	(406)	-		(406)
Allowance for impairment on unquoted investment funds	-	-	-	-	(1,616)	-		(1,616)
Allowance for impairment on investment in an associated company	-	-	-	-	(273)	-		(273)
Stocks written down	(3,527)	(95)	(240)	-	-	-		(3,862)
Allowance for impairment on trade debtors	(371)	(9)	(365)	(2)	(4)	-		(751)
Depreciation of property, plant and equipment	(793)	(1,626)	(5,289)	(5,749)	(271)	-		(13,728)
Amortisation of intangible assets	-	-	(1,068)	(1,376)	-	-		(2,444)
Property, plant and equipment written off	-	-	(845)	(1,839)	-	-		(2,684)
Allowance for impairment on property, plant and equipment	-	-	(593)	(906)	-	-		(1,499)
Provision for reinstatement cost	-	-	290	-	-	-		290
Realised translation losses reclassified to the income statement	-	-	(268)	(615)	-	-		(883)
Net gain/(loss) on disposal of property, plant and equipment	4	(3)	12	(109)	10	-		(86)
Impairment loss on intangible assets	-	-	(42,674)	-	-	-		(42,674)
Share of results of joint venture company	-	-	736	-	-	-		736
Segment profit/(loss)	12,591	10,382	(51,038)	(5,146)	(11,811)	-		(45,022)
Assets:								
Investments in joint venture company	-	-	1,708	-	-	-		1,708
Additions to non-current assets	602	580	1,865	4,755	494	-		8,296
Segment assets	124,184	16,446	34,909	69,100	16,951	-		261,590
Segment liabilities	(45,979)	(8,656)	(19,914)	(23,177)	(3,002)	-		(100,728)

AURIC PACIFIC GROUP LIMITED

(Co. Reg. No. 198802981D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Business Segment (Continued)

Note

- (i) Inter-segment revenues are eliminated on consolidation.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

The factors leading to material changes in contributions to turnover and earnings by business segments have been discussed in Note 8.

17. A breakdown of sales as follows:

	2016 S\$'000	2015 S\$'000	Change +/(-) %
Sales reported for first half year	215,532	220,038	(2.0)
Sales reported for second half year	208,452	212,845	(2.1)
Full Year Revenue	423,984	432,883	(2.1)

	2016 S\$'000	2015 S\$'000	Change +/(-) %
Profit after tax before deducting NCI reported for first half year	3,633	453	>100
Profit after tax before deducting NCI reported for second half year	3,673	(41,334)	n.m.
Full Year Profit After Tax	7,306	(40,881)	n.m.

n.m. = not meaningful

NCI = Non-Controlling Interest

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	2016 S\$'000	2015 S\$'000
Ordinary		
- Final	-	2,513 *
Total	-	2,513

* Relates to the final dividends declared for the financial year ended 31 December 2014 which were paid in 2015.

AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Dr Stephen Riady	56	A younger brother of Mr James Tjahaja Riady, a substantial shareholder of the Company	Executive Director , appointed w.e.f. 23/02/2006. Duties: to provide corporate strategic and business development direction on business and investment opportunities in the region and merger and acquisition activities of the Company and the Group.	No changes in duties and position held during the financial year ended 31 December 2016.
Dr Andy Adhiwana	32	Son-in-law of Dr Stephen Riady, an executive director on the Board	Executive Director , appointed w.e.f. 01/11/2014. Group Chief Executive Officer , appointed w.e.f. 09/05/2016. Duties: to assist the Board in its strategic decisions, corporate governance and risk management oversight relating to Auric Pacific Group Limited and its subsidiaries.	No changes in duties and position held during the financial year ended 31 December 2016.

BY ORDER OF THE BOARD

Chan Pengee Adrian
Company Secretary
20 February 2017

APPENDIX F – EXTRACTS FROM THE COMPANY’S CONSTITUTION

The provisions in the Constitution relating to rights of Shareholders in respect of capital, dividends and voting are reproduced below.

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution and/or the Companies Act, a copy of which is available for inspection at the registered office of the Company at 50 Collyer Quay #06-03 OUE Bayfront Singapore 049321, during normal business hours until the Closing Date.

(A) RIGHTS IN RESPECT OF CAPITAL

ISSUE OF SHARES

- | | | |
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| 6. | (A) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution. | Shares of a class other than ordinary shares |
| | (B) The Company may issue shares for which no consideration is payable to the Company. | Issue of shares for no consideration |
| 7. | Subject to the Statutes and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to article 11, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, Provided always that: | Issue of shares |
| | <p>(a) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of article 11(A) with such adaptations as are necessary shall apply; and</p> <p>(b) any other issue of shares, the aggregate of which would exceed the limits referred to in article 11(B), shall be subject to the approval of the Company in General Meeting.</p> | |
| 8. | (A) Preference shares may be issued subject to such limitation thereof as may be prescribed by the Stock Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrear. | Preference shares |
| | (B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued. | Issue of further preference capital |

VARIATION OF RIGHTS

9. Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital, other than redeemable preference capital, may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of this Constitution relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.
10. The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

Variation of rights

Issue of further shares ranking *pari passu*

ALTERATION OF SHARE CAPITAL

11. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Stock Exchange, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this article 11(A).

Offer of new shares to members

(B) Notwithstanding article 11(A), the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:

General authority

- (a) (i) issue shares of the Company (“shares”) 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 always that:

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Stock Exchange;
- (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the listing rules of the Stock Exchange for the time being in force (unless such compliance is waived by the Stock Exchange) and this Constitution; and
- (3) (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).

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

New shares subject to the Statutes and this Constitution

12. (A) The Company may by Ordinary Resolution:

- (a) consolidate and divide all or any of its shares;
- (b) sub-divide its shares, or any of them (subject, nevertheless, to the provisions of the Statutes and this Constitution), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares; and

Power to consolidate, sub-divide and redenominate shares

- (c) subject to the provisions of the Statutes, convert its share capital or any class of shares from one currency to another currency.

(B) The Company may by Special Resolution, subject to and in accordance with the Statutes, convert one class of shares into another class of shares. Power to convert shares

13. (A) The Company may reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law. Power to reduce capital

(B) The Company may, 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 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. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly. Power to repurchase shares

(C) 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 authorised by, or prescribed pursuant to, the Act. Treasury shares

SHARES

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

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

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| 16. | Subject to the provisions of this Constitution and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all new shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper. | Power of Directors to issue shares |
| 17. | The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. | Power to pay commission and brokerage |
| 18. | Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by the Stock Exchange) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose. | Allotment of shares |

CALLS ON SHARES

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| 24. | The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments. | Calls on shares |
| 25. | Each member shall (subject to receiving at least 14 days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine. | Notice of calls |
| 26. | If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part. | Interest on unpaid calls |
| 27. | Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. | When calls made and payable |
| 28. | The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment. | Power of Directors to differentiate |

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| <p>29. The Directors may if they think fit receive from any member willing to advance the same, all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish <i>pro tanto</i> the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, while carrying interest, confer a right to participate in profits.</p> | <p>Payment of calls in advance</p> |
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FORFEITURE AND LIEN

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| <p>30. If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.</p> | <p>Notice requiring payment of calls</p> |
| <p>31. The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.</p> | <p>Notice to state place and time of payment</p> |
| <p>32. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.</p> | <p>Forfeiture on non-compliance with notice</p> |
| <p>33. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.</p> | <p>Sale of forfeited shares</p> |
| <p>34. A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at that time of forfeiture or surrender or waive payment in whole or in part.</p> | <p>Rights and liabilities of members whose shares have been forfeited</p> |

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| 35. | The Company shall have a first and paramount lien on every share (not being a fully paid share) and dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this article. | Company to have paramount lien |
| 36. | The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. | Sale of shares subject to lien |
| 37. | The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, or as he may direct. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser. | Application of sale proceeds |
| 38. | A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share. | Title to forfeited or surrendered shares |

TRANSFER OF SHARES

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| 39. | All transfers of the legal title in shares may be effected by the registered holders thereof by transfer in writing in the form for the time being approved by the Stock Exchange or in any other form acceptable to the Directors. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, Provided always that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof. | Form and execution of transfer |
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| 40. | The Register of Members may be closed at such times and for such period as the Directors may from time to time determine, Provided always that such Register shall not be closed for more than 30 days in any calendar year, Provided always that the Company shall give prior notice of such closure as may be required to the Stock Exchange, stating the period and purpose or purposes for which the closure is made. | Closure of transfer books and Register of Members |
| 41. | <p>(A) There shall be no restriction on the transfer of fully paid-up shares (except where required by law or the listing rules of, or bye-laws and rules governing, the Stock Exchange) but the Directors may, in their sole discretion, decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid-up may refuse to register a transfer to a transferee of whom they do not approve, Provided always that in the event of the Directors refusing to register a transfer of shares, they shall within ten Market Days beginning with the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.</p> <p>(B) The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:</p> <ul style="list-style-type: none"> (a) such fee not exceeding S\$2 as the Directors may from time to time require, is paid to the Company in respect thereof; (b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid; (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and (d) the instrument of transfer is in respect of only one class of shares. | <p>Directors' power to decline to register a transfer</p> <p>When Directors may refuse to register a transfer</p> |
| 42. | If the Directors refuse to register a transfer of any shares, they shall within ten Market Days after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice of the refusal as required by the Statutes. | Notice of refusal to register a transfer |
| 43. | All instruments of transfer which are registered may be retained by the Company. | Retention of transfers |
| 44. | There shall be paid to the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S\$2 as the Directors may from time to time require or prescribe. | Fees for registration of transfer |

45. The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; Provided always that:
- Destruction of transfers

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this article; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

STOCK

49. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.
- Conversion of shares to stock and re-conversion
50. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.
- Transfer of stock
51. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by the number of stock units which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.
- Rights of stockholders

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

138. (A) The Directors may, with the sanction of an Ordinary Resolution of the Company, including any Ordinary Resolution passed pursuant to article 11(B):

Power to issue free bonus shares and/or to capitalise reserves

- (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) in the Depository Register at the close of business on:
 - (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
 - (ii) (in the case of an Ordinary Resolution passed pursuant to article 11(B)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

- (b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:
 - (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
 - (ii) (in the case of an Ordinary Resolution passed pursuant to article 11(B)) 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 new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new 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.

(B) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under article 138(A), 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.

Power of Directors to give effect to bonus issues and capitalisations

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| <p>139. In addition and without prejudice to the powers provided for by article 138, the Directors shall have power to issue shares for which no consideration is payable and/or 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 new shares, in each case on terms that such shares shall, upon issue:</p> | <p>Power to issue free shares and/or to capitalise free reserves for share-based incentive plans and Directors' remuneration</p> |
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- (a) 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; or
- (b) be held by or for the benefit of non-executive Directors as part of their remuneration under article 82 and/or article 83(A) approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

(B) RIGHTS IN RESPECT OF DIVIDENDS

DIVIDENDS

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| <p>124. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.</p> | <p>Declaration of dividends</p> |
| <p>125. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.</p> | <p>Interim dividends</p> |
| <p>126. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:</p> <ul style="list-style-type: none"> (a) all dividends in respect of shares must be paid in proportion to the number of shares held by a member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and (b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid. | <p>Apportionment of dividends</p> |

For the purposes of this article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

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| <p>127. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.</p> | <p>Dividends payable out of profits</p> |
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| 128. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company. | No interest on dividends |
| 129. (A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. | Retention of dividends on shares subject to lien |
| (B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same. | Retention of dividends pending transmission |
| 130. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company. | Waiver of dividends |
| 131. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable shall be forfeited and shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date such dividend or other moneys are first payable. | Unclaimed dividends or other moneys |
| 132. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. | Payment of dividend <i>in specie</i> |
| 133. (A) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on shares of a particular class in the capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of shares of that class credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply: | Scrip dividend scheme |
| (a) the basis of any such allotment shall be determined by the Directors; | |

- (b) the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of shares of the relevant class credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this article 133;
- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded, Provided always that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
- (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on the shares of the relevant class in respect whereof the share election has been duly exercised (the "elected shares") and, in lieu and in satisfaction thereof, shares of the relevant class shall be allotted and credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid. For such purpose and notwithstanding the provisions of article 138, the Directors shall (i) capitalise and apply out of the amount standing to the credit of any of the Company's reserve accounts or any amount standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and among the holders of the elected shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected shares towards payment of the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis.

(B) The shares of the relevant class allotted pursuant to the provisions of article 133(A) shall rank *pari passu* in all respects with the shares of that class then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.

Ranking of shares

(C) The Directors may, on any occasion when they resolve as provided in article 133(A), determine that rights of election under that article shall not be made available to the persons who are registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of shares, the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of article 133 shall be read and construed subject to such determination.

Record date

<p>(D) The Directors may, on any occasion when they resolve as provided in article 133(A), further determine that no allotment of shares or rights of election for shares under article 133(A) shall be made available or made to members whose registered addresses entered in the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.</p>	<p>Eligibility</p>
<p>(E) Notwithstanding the foregoing provisions of this article, if at any time after the Directors' resolution to apply the provisions of article 133(A) in relation to any dividend but prior to the allotment of shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their discretion and as they deem fit in the interest of the Company and without assigning any reason therefor, cancel the proposed application of article 133(A).</p>	<p>Disapplication</p>
<p>(F) The Directors may do all acts and things considered necessary or expedient to give effect to the provisions of article 133(A), with full power to make such provisions as they think fit in the case of shares of the relevant class becoming distributable in fractions (including, notwithstanding any provision to the contrary in this Constitution, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down).</p>	<p>Fractional entitlements</p>
<p>134. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.</p>	<p>Dividends payable by cheque or warrant</p>
<p>135. Notwithstanding the provisions of article 134 and the provisions of article 137, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.</p>	<p>Payment to Depository good discharge</p>
<p>136. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.</p>	<p>Payment of dividends to joint holders</p>

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| <p>137. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights <i>inter se</i> in respect of such dividend of transferors and transferees of any such shares.</p> | <p>Resolution
declaring dividends</p> |
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(C) RIGHTS IN RESPECT OF VOTING

GENERAL MEETINGS

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| <p>52. Save as otherwise permitted under the Act, an Annual General Meeting shall be held once in every year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.</p> | <p>Annual General
Meeting and
Extraordinary
General Meeting</p> |
| <p>53. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.</p> | <p>Calling
Extraordinary
General Meeting</p> |

NOTICE OF GENERAL MEETINGS

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| <p>54. Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by 21 days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by 14 days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereinafter mentioned to all members other than such as are not under the provisions of this Constitution and the Act entitled to receive such notices from the Company; Provided always that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:</p> <p>(a) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and</p> <p>(b) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the members having a right to vote at that meeting,</p> | <p>Notice of General
Meeting</p> |
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Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. So long as the shares in the Company are listed on any Stock Exchange, at least 14 days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to the Stock Exchange.

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| <p>55. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.</p> | <p>Contents of notice
for General Meeting</p> |
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| (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such. | Contents of notice for Annual General Meeting |
| (C) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect. | Notice of General Meeting for special business and Special Resolutions |
56. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:
- (a) declaring dividends;
 - (b) receiving and adopting the financial statements, the Directors' statement, the Auditor's report and other documents required to be attached to the financial statements;
 - (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
 - (d) appointing or re-appointing the Auditor;
 - (e) fixing the remuneration of the Auditor or determining the manner in which such remuneration is to be fixed; and
 - (f) fixing the remuneration of the Directors proposed to be paid in respect of their office as such under article 82 and/or article 83(A).
57. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

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| 58. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within ten minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting. | Chairman of General Meeting |
| 59. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy. Provided always that (i) a proxy representing more than one member shall only count as one member for the purpose of determining the quorum; and (ii) where a member is represented by more than one proxy such proxies shall count as only one member for the purpose of determining the quorum. | Quorum |
| 60. If within 30 minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting any one or more members present in person or by proxy shall be a quorum. | If quorum not present, adjournment or dissolution of meeting |

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| 61. | The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or <i>sine die</i>) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned <i>sine die</i> , the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for 30 days or more or <i>sine die</i> , not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. | Business at adjourned meeting |
| 62. | Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. | Notice of adjournment not required |
| 63. | If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon. | Amendment of resolutions |
| 64. | (A) If required by the listing rules of the Stock Exchange, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Stock Exchange). | Mandatory polling |
| | (B) Subject to article 64(A), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by: | Method of voting where mandatory polling not required |
| | (a) the chairman of the meeting; or | |
| | (b) not less than two members present in person or by proxy and entitled to vote at the meeting; or | |
| | (c) a member present in person or by proxy and representing not less than five per cent. of the total voting rights of all the members having the right to vote at the meeting; or | |
| | (d) a member present in person or by proxy and holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than five per cent. of the total sum paid up on all the shares conferring that right. | |

A demand for a poll made pursuant to this article 64(B) may be withdrawn only with the approval of the chairman of the meeting, and any such demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution.

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| 65. | Where a poll is taken, it shall be taken in such manner (including the use of ballot or voting papers) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. The chairman of the meeting may (and, if required by the listing rules of the Stock Exchange or if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll. | Taking a poll |
| 66. | A poll on the choice of a chairman or on a question of adjournment shall be taken immediately. A poll on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. | Timing for taking a poll |
| 67. | In the case of an equality of votes, whether on a poll or on a show of hands, the chairman of the meeting at which the poll or show of hands takes place shall be entitled to a casting vote. | Casting vote of chairman |

VOTES OF MEMBERS

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| 68. | Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company and to article 13(C), each member entitled to vote may vote in person or by proxy. Every member who is present in person or by proxy shall: | How members may vote |
| | <p>(a) on a poll, have one vote for every share which he holds or represents; and</p> <p>(b) on a show of hands, have one vote, Provided always that:</p> <p style="margin-left: 40px;">(i) in the case of a member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and</p> <p style="margin-left: 40px;">(ii) in the case of a member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.</p> | |

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 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

- | | | |
|-----|---|--------------------------------|
| 69. | In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share. | Voting rights of joint holders |
|-----|---|--------------------------------|

- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by that Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
 - (C) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy. Notes and instructions
 - (D) A proxy need not be a member of the Company. Proxy need not be a member
75. (A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and: Execution of proxies
- (a) in the case of an individual, shall be:
 - (i) signed by the appointor or his attorney if the instrument is delivered personally or sent by post; or
 - (ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
 - (b) in the case of a corporation, shall be:
 - (i) either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument is delivered personally or sent by post; or
 - (ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.
- The Directors may, for the purposes of articles 75(A)(a)(ii) and 75(A)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.
- (B) The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to article 76(A), failing which the instrument may be treated as invalid. Witness and authority
 - (C) The Directors may, in their absolute discretion: Directors may approve method and manner, and designate procedure, for electronic communications
 - (a) approve the method and manner for an instrument appointing a proxy to be authorised; and
 - (b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in articles 75(A)(a)(ii) and 75(A)(b)(ii) for application to such members or class of members as they may determine. Where the Directors do not so approve and designate in relation to a member (whether of a class or otherwise), article 75(A)(a)(i) and/or (as the case may be) article 75(A)(b)(i) shall apply.

76. (A) An instrument appointing a proxy:

Deposit of proxies

- (a) if sent personally or by post, must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office); or
- (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting,

and in either case, not less than 72 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided always that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with this article 76 for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

Directors may specify means for electronic communications

(B) The Directors may, in their absolute discretion, and in relation to such members or class of members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in article 76(A)(b). Where the Directors do not so specify in relation to a member (whether of a class or otherwise), article 76(A)(a) shall apply.

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

Rights of proxies

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

Intervening death or mental disorder

CORPORATIONS ACTING BY REPRESENTATIVES

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

Corporations acting
by representatives

APPENDIX G – SUMMARY OF THE VALUATION REPORT

AVA Associates Limited

806 Empress Plaza
17-19 Chatham Road South
Tsim Sha Tsui, Hong Kong

1 March 2017

To
Board of Directors
AURIC PACIFIC GROUP LIMITED
50 Collyer Quay
#06-03 OUE Bayfront
Singapore 049321

Dear Sirs,

Pursuant to your instructions, AVA Associates Limited ("AVA") has performed a **valuation of and review the balance sheet items of Auric Pacific Group Limited ("APGL" or the "Group") as at 31 December 2016 ("Valuation Date")**, in relation a **voluntary cash offer by Silver Creek Pte Ltd ("Cash Offer") as announced by the Group on 7 February 2017**. The purpose of this engagement is to assist APGL in their assessment of the revalued net asset value ("RNAV") of the Group, and inclusion in a circular to the shareholders on the Cash Offer. No other use of our valuation report is intended or should be inferred.

Definition of Value

In estimating the value of the assets, our efforts were based on the following premises of value:

Fair Value - *The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.*

Open Market Value - *The "the best price" at which an interest in a property might reasonably be expected to be sold at the date of valuation, assuming:-*

- *a willing seller, willing buyer;*
- *no account is to be taken of an additional bid by a purchaser with a "special interest";*
- *that prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the negotiation and agreement of price and terms for the completion of the sale; and*
- *that the price reflects the state of the market and other circumstances as at the date of valuation.*

Scope of Work

On 7 February 2017, Silver Creek Pte Ltd (“Silver Creek” or the “Offeror”), an entity jointly owned by Dr. Stephen Riady and Dr. Andy Adhiwana, announced a voluntary conditional cash offer of S\$1.65 per share for all the issued and paid-up ordinary shares in the capital of APGL, other than those which are owned, controlled or agreed to be acquired by the Offeror.

Following our discussions with APGL, AVA has been engaged to assist the Group in its preparation of a revalued balance sheet, namely to arrive at the RNAV of the Group, allowing the Board of Directors of APGL (the “Board”) to assess the Cash Offer. Our work consisted of the following items:

- Review of balance sheet items as at Valuation Date as to the reasonableness of the stated values in arriving at a RNAV, including:
 - Valuation of the *Property, Plant and Equipment*;
 - Valuation of the *Investment in a joint venture company*;
 - Review and opine on the value of the *Intangible Assets*; and
 - Review and opine on the value of the *Long-term investments*.

Our valuation and report is prepared in accordance with the International Valuation Standards (2013 edition) as published by the International Valuation Standard Committee and Valuation Standards and Guidelines as published by the Singapore Institute of Surveyors and Valuers. The procedures used in our analysis included such substantive steps, as we considered necessary, including, but not necessarily limited to, the following:

- Preparation of an information checklist for information gathering;
- Site visit of the properties belonging to the Group;
- Discussion with the appropriate parties regarding the identified assets, adopted/proposed valuation methodologies, current/proposed operations and historical/forecast financials of the Group and its subsidiaries, as well as its prospects, etc;
- Development of appropriate valuation models pertinent to the exercise;
- Preparation of draft reports for discussion with the Group; and
- Submission of the final report for the purpose of this exercise.

Sources of Information

As part of our due diligence, we relied upon documents supplied by the management of the Group, including, but not limited to, the following:

- Annual report of the Group for the fiscal year ending 31 December 2014 and 31 December 2015;
- Unaudited financial statements of the Group, for the 12 months ending 31 December 2016;
- Detailed breakdown of the balance sheet accounts as at 31 December 2016;

- Unaudited balance sheet and income statement of Food Junction Management Pte Ltd, Food Junction Singapore Pte Ltd and T&W Food Junction Sdn Bhd for the year ended 31 December 2016;
- Audited financial statements of Delifrance Singapore Wholesale Pte Ltd for the fiscal year ending 30 June 2016;
- Unaudited income statement of Delifrance Singapore Wholesale Pte Ltd for the 6-month ending 31 December 2016;
- Valuation calculations for the purpose of impairment testing of Food Junction Holdings Ltd. as at 31 December 2016;
- Details of the plant and equipment as at 31 December 2016;
- Details of the properties;
 - Lease agreements; and
 - Site and floor plans
- Other relevant documentations.

We planned and performed our review and valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject asset. In the course of our work, we held discussions with the management concerning the history and current conditions of the Group, financial and general outlook of the business. We assumed that the data we obtained in the course of the valuation, along with the opinions and representations provided to us by the Company are true and accurate. We also used financial and other information obtained from private and public sources we considered reliable. Our conclusions are dependent on such information being complete and accurate in all material respects. We believe the review and valuation procedures we employed provide a reasonable basis for our opinion.

Valuation Theory

Our approach in valuing the identified assets relies on using the appropriate techniques to arrive at our conclusion of value. We considered the three generally recognized approaches to value: the income, market and cost approaches.

An overview of the three approaches considered is as follows:

- The *Income Approach* focuses on the income-producing capability of a business or asset. The income approach measures the current value of a business or asset by calculating the present value of its future economic benefits such as cash earnings, cost savings, tax deductions, and proceeds from disposition. Value indications are developed by discounting expected cash flows to their present value at a rate of return that incorporates the risk-free rate for the use of funds, the expected rate of inflation, and risks associated with the particular investment. The discount rate selected is generally based on rates of return available from alternative investments of similar type and quality as of the valuation date.
- The *Market Approach* measures the value of a business or asset through an analysis of recent sales or offerings of comparable businesses or assets. In estimating the value of a business under the market approach there are two methodologies: the publicly-traded guideline company methodology and the recent transaction methodology. The

publicly traded guideline company methodology develops an indication of value for the subject company by calculating market pricing multiples for selected publicly-traded guideline companies and applying these multiples to the appropriate financial measures of the subject company. The recent transaction methodology develops an indication of value for the subject company by calculating market pricing multiples based on actual acquisitions of similar businesses and applying these multiples to the appropriate financial measures of the subject company. After deriving a value, adjustments are then made to account for differences between the subject business or asset being valued and the comparable businesses or assets used in the analysis.

- The *Cost Approach* measures the value of a business or asset by the cost to reconstruct or replace it with another of like utility. To the extent that the assets being valued provide less utility than new assets, the reproduction or replacement cost new would be adjusted to reflect appropriate physical deterioration, functional obsolescence, and economic obsolescence. The cost approach recognizes that a prudent investor would not ordinarily pay more for property or an asset than the cost to replace them new.

Valuation Approach

Valuation of the Properties

The Group owns 3 properties in Singapore at the following addresses:

- No. 2 Enterprise Road, Singapore 629814;
- No. 2 Senoko Ave, Singapore 758298; and
- 202 Pandan Loop, Singapore 128390.

We have relied on the income and market approaches to arrive at the value conclusion for each of the properties. The Direct Comparison Approach was adopted for the valuation of the subject site; and Cost Approach for the improvements (including buildings and structures).

‘Depreciated Replacement Cost’

Depreciated Replacement Cost is based on an estimate of the open market value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimization.

‘Direct Comparison Approach’

Direct Comparison Approach is universally considered the most accepted valuation approach for valuing most forms of real estate. This involves the analysis of recent market sales evidence of similar properties to compare with the premises under valuation. Each comparable is analyzed on the basis of its unit rate; each attribute of the comparable is then compared with the subject and where there is a difference, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as location within the city, size, configuration, access, and so on.

Valuation of the Plant and Equipment

The valuation of these assets relied on both the market and cost approaches. However, due to limited information of second hand market for these assets, we have mainly relied on cost approach.

Considerations were given to the following:

- Current prices for similar used equipment in the second hand market;
- Current cost new of the assets;
- Accrued depreciation; and
- Age, condition, past maintenance and present and prospective serviceability in comparison with new units of like kind.

Valuation of Investment in a Joint Venture

We estimated the value of this asset through the income approach, employing an income capitalization analysis. This simplified method assumes the business is stable and will continue to be operated as-is.

The market approach was not deemed appropriate due to the lack of comparable market transactions and prices. We performed a similar transaction search and found no similar disclosed recent transactions. The cost approach was also deemed inappropriate, as one of the significant assets of this business is the asset's assembled workforce and its collective network, and these would not be properly reflected using a cost approach methodology.

Valuation of Intangible Assets

The intangible assets mainly relate to the Group's business carried out under the "Food Junction" brand. We calculated the value of a 100% interest in this business by estimating the value through the income approach, employing a discounted cash flow ("DCF") analysis.

Our basis for selecting the income approach was due to the availability of relevant data, specifically the development plans and financial projections provided by the Group. Based on this information, we utilized a discounted cash flow methodology to estimate the cash that is available, either to invest in new or existing businesses or to distribute, to equity holders. This allowed us to estimate value of the 100% interest in the business under a set of reasonable and robust assumptions.

Similar to our valuation of the Investment in a Joint Venture, both the market and cost approaches were deemed inappropriate.

Review of Other Balance Sheet Items

We conducted a limited scope review of these balance sheet items in accordance with generally accepted practice and relevant literature. The objective is to provide a best estimate of their fair values based on the information gathered.

Valuation Methodology

Valuation of Investment in a Joint Venture

This investment is a 49% equity stake in Delifrance Singapore Wholesale Pte Ltd. The principal activity of the company is wholesale of French bakery and pastry products. As the business has been stable over the last few years, and it is expected to continue its current activities in Singapore only, it is reasonable to derive the value of this operation by capitalizing the profits. We employed the Capital Asset Pricing Model to estimate the expected returns on such asset between 16.0% and 19.5%. Capitalizing the audited net profit of S\$1,150,210, for the 12-month ending 30 June 2016, we derived a valuation between S\$4,120,000 to S\$5,040,000 for a 100% equity interest in the company. As APGL has only a 49% stake in the company, the fair value of this investment is calculated to be between S\$2,018,800 and S\$2,469,600, as illustrated in the table below.

Conclusion of Analysis on Valuation

	<u>Low</u>	<u>High</u>
Value of 100% stake	4,120,000	5,040,000
Value of 49% stake	2,018,800	2,469,600
Conclusion on Value of 49% of Company	2,018,800	2,469,600
Carrying Value of Investment in Company	2,265,000	2,265,000
Uplift/(Downlift)	(246,200)	204,600

Our conclusion is to opine that the fair value of the 49% stake, an average of the 2 scenarios, approximates its book value of S\$2,265,000.

Valuation of Intangible Assets

The intangible assets on the Group's balance sheet belong to its business unit that operates the "Food Junction" food court business. As part of the Group's annual audit requirements, it is expected to test its intangible assets for impairment. We have reviewed the DCF analysis provided by the Company's that has been prepared by their internal team. The concluded value of the businesses that employ the intangible assets, namely, trademark, goodwill and customer relationships, is S\$36,412,000, a value that is above the carrying value of net assets of S\$36,292,000. We thus uplifted the fair value of the relevant intangible assets from S\$36,292,000 to S\$36,412,000 to reflect its fair value in the balance sheet of the Group.

Review of Selected Balance Sheet Items

We conducted a limited scope review of these balance sheet items, belonging to APGL, in accordance with generally accepted practice and relevant literature. The objective is to provide a best estimate of their fair values based on the information gathered. The steps taken to verify the fair value of these items includes, but is not limited to the following:

- Requested for the detailed breakdown of each asset class;
- Examination of the items in each asset class;
- Discussed with the Company on the history of and recorded values in each asset class;
- Determined the recoverability of the amounts, where appropriate; and
- Stated the value of each asset class.

Book and Fair Values as at 31 December 2016

(amounts in S\$ '000)

	Book Value	Fair Value	Note
Non-current assets			
Intangible assets	36,292	36,412	Fair value based on DCF analysis as discussed in previous section.
Investment in a joint venture company	2,265	2,265	Based on income capitalization method as discussed in previous section.
Long term investments	2,520	2,520	Assumed book value approximates fair value. Based on funds' mark-to-market.
Other debtors	6,737	6,737	Assumed book value approximates fair value.
Prepayment and other recoverables	457	457	Assumed book value approximates fair value.
Deferred tax assets	885	885	Assumed book value approximates fair value.
Current assets			
Stocks	47,098	47,098	Assumed book value approximates fair value.
Trade debtors	66,281	66,281	Assumed book value approximates fair value.
Other debtors	5,404	5,404	Assumed book value approximates fair value.
Prepayment and other recoverables	1,420	1,420	Assumed book value approximates fair value.
Fixed deposits	1,955	1,955	Assumed book value approximates fair value.
Cash and cash equivalents	88,138	88,138	Assumed book value approximates fair value.
Current liabilities			
Trade creditors	47,605	47,605	Assumed book value approximates fair value.
Other creditors and accruals	47,220	47,220	Assumed book value approximates fair value.
Deferred income	12	12	Assumed book value approximates fair value.
Provision for reinstatement costs	1,256	1,256	Assumed book value approximates fair value.
Loans and borrowings	2,395	2,395	Assumed book value approximates fair value.
Tax payable	4,840	4,840	Assumed book value approximates fair value.
Non-current liabilities			
Deferred income	14	14	Assumed book value approximates fair value.
Provision for reinstatement costs	3,711	3,711	Assumed book value approximates fair value.
Loans and borrowings	248	248	Assumed book value approximates fair value.
Deferred tax liabilities	3,924	3,924	Assumed book value approximates fair value.

Minority interest	760	762	Adjusted for fair value adjustment in Goodwill and Trademarks of Food Junction where the non-controlling interest is 1.97%.
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Valuation of the Properties

Our valuation is our opinion of the open market value, as at Valuation Date, of the 3 properties. For the purpose of this report, the Direct Comparison Approach & Income Capitalisation Approach to value were adopted.

In Direct Comparison Approach, sales and listings of similar properties in the vicinity and elsewhere are used as guides to value after relevant valuation adjustments are made for differences in location, land area, land shape, land tenure, floor area, condition of building, market conditions, age of the property, waterfront shoreline, improvements done, etc.

In Income Capitalisation Approach to value, we had based on the current fair & reasonable rental values of similar properties in similar neighbourhoods, subject to relevant valuation adjustments and deductions for any outgoings such as property tax, cost of maintenance/repairs and future vacancy allowances. The resultant net income is then capitalised over the unexpired lease term using an appropriate rate according to the current market condition

The valuation for the 3 leasehold properties have been conducted by Teo Beng Hock, licensed appraiser AD041-2009516J.

Leasehold Property

2 Enterprise Road

<i>Address</i>	:	2 Enterprise Road, Singapore 629814
<i>Type</i>	:	A Single Storey JTC Detached Factory with Mezzanine Floor
<i>Lessor</i>	:	Jurong Town Corporation
<i>Lessee</i>	:	Auric Pacific Food Industries Pte Ltd
<i>Legal Description</i>	:	MK6-354V
<i>Tenure</i>	:	Leasehold 60 years wef 16 December 1972
<i>Land Area</i>	:	16,234.2 sq m (174,743 sq ft)
<i>Floor Area</i>	:	14,085.0 sq m (151,610 sq ft) or thereabout, subject to final survey
<i>Land Rent</i>	:	S\$271,923/- per month (excluding 7% GST)
<i>Annual Value</i>	:	S\$1,548,000/- (Year 2017)

Occupancy Status : Owner-Occupied

Having considered the above, the prevailing market conditions and other relevant valuation factors, we are of the considered opinion that the open market value of the subject property free from all encumbrances for financial reporting purpose only is **S\$9,500,000 (Singapore Dollar Nine Million Five Hundred Thousand Only)**.

2 Senoko Avenue

Address : 2 Senoko Ave, Singapore 758298

Type : A 2-Storey JTC Detached Factory

Lessor : Jurong Town Corporation

Lessee : Auric Pacific Food Industries Pte Ltd

Legal Description : MK13-2293K

Tenure : Leasehold 10 years wef 1 October 2009

Land Area : 21,952.3 sq m (247,056 sq ft)

Floor Area : 7,387.0 sq m (79,513 sq ft) or thereabout, subject to final survey.

Land Rent : S\$45,440.64 per month (excluding 7% GST)

Annual Value : S\$896,000/- (Year 2017)

Occupancy Status : Owner-Occupied

Having considered the above, the prevailing market conditions and other relevant valuation factors, we are of the considered opinion that the open market value of the subject property free from all encumbrances for financial reporting purpose only is **S\$800,000 (Singapore Dollar Eight Hundred Thousand Only)**.

202 Pandan Loop

Address : 202 Pandan Loop, Singapore 128390

Type : A 1-storey JTC Detached Factory with mezzanine office

Lessor : Jurong Town Corporation

Lessee : Delifrance Singapore Pte Ltd

Legal Description : MK5-6304L

Tenure : Leasehold 30 years wef 1 March 2010

<i>Land Area</i>	:	5,254.3 sq m (56,557 sq ft)
<i>Floor Area</i>	:	2,602.0 sq m (28,008 sq ft) or thereabout, subject to final survey.
<i>Land Rent</i>	:	S\$14,987.90 per month (excluding 7% GST)
<i>Annual Value</i>	:	S\$417,000/- (Year 2017)
<i>Occupancy Status</i>	:	Owner-Occupied

Having considered the above, the prevailing market conditions and other relevant valuation factors, we are of the considered opinion that the open market value of the subject property free from all encumbrances for financial reporting purpose only is **S\$4,000,000 (Singapore Dollar Four Million Only)**.

Valuation of Equipment

The Equipment considered in this valuation included those assets shown on equipment list supplied to AVA at the beginning of the valuation project and through other information provided during the engagement.

The Equipment belonging to the Group are located in Singapore, Malaysia and Hong Kong. They comprise of bread making and packaging facilities, refrigeration systems, butter making and packaging facilities, warehouse equipment, various management software, kitchen and cooking equipment, motor vehicles, office furniture/fittings, computers and office equipment.

Our valuation assumes that each of the assets, unless identified otherwise in this report, will continue to be used 'as is' and as part of an ongoing business. Therefore, the assets have been valued under an in-use premise, which recognizes the additional value related to the freight, tax, and installation (including engineering and installation) costs that were incurred when the assets were placed into service.

In arriving at our opinion of value, we have given consideration to the cost of similar used equipment in the second hand market, current cost new, accrued depreciation, extent, character, utility, lack of improved features of new equipment and continuation of use of the assets in their present location.

In estimating the Fair Value under the premise of continued use, we assumed it to be offered in the open market and considered the following factors:

- The extent, character and utility of the assets
- The estimated cost to acquire new or construct, or acquire used if comparable property was available, plus the cost to erect or install as an integrated entity
- From current cost new, a deduction for depreciation, or loss of value, arising from condition, utility, age, wear and tear, obsolescence and lack of improved features of new equipment currently in the market
- For the cost of comparable used property, a positive or negative adjustment to the market price to reflect the difference in condition and utility between the item under appraisal and its comparable

- Dealers' prices for machinery and equipment in operative condition, plus allowances for freight and installation

The term "current cost new" as used herein is defined as the amount required to reproduce or replace in like kind and new condition an asset, or group of assets, taking into account current costs of materials and labour and including all attendant costs associated with its acquisition.

For the purposes of this engagement, we did not investigate any financial data pertaining to the present or prospective earning capacity of the operation in which the appraised assets are used. It was assumed that prospective earnings would provide a reasonable return on the appraised value of the assets, plus the value of any assets not included in the appraisal, and adequate net working capital.

We have not investigated the title or any liabilities affecting the machinery and equipment appraised. No consideration was made for any outstanding amount owed under financing agreements, if any.

Based on the information provided and the analysis conducted, and subject to the attached Statement of General Assumptions and Limiting Conditions, we are of the opinion that, as at Valuation Date, the Fair Value of the Equipment is **S\$8,845,000 (Singapore Dollar Eight Million Eight Hundred Forty-five Thousand Only)** with breakdown as follows:

Item	Book Value (S\$)	Fair Value (S\$)
Equipment	7,073	7,290
Motor vehicles	1,197	1,251
Construction-in-progress	304	304
TOTAL	8,574	8,845

Conclusion of Value

Based on the information provided and analyses conducted, and subject to the attached Statement of General Assumptions and Limiting Conditions, we are of the opinion that, as at Valuation Date, the Fair Value of the Balance Sheet of APGL is reasonably represented as follows.

	UNAUDITED 31-Dec-16 S\$'000	REVALUED 31-Dec-16 S\$'000
ASSETS		
Non-current assets		
Property, plant and equipment	20,304	30,373
<i>Leasehold office buildings</i>	<i>1,774</i>	<i>9,500</i>
<i>Leasehold office buildings</i>	<i>741</i>	<i>800</i>
<i>Leasehold factory buildings</i>	<i>1,987</i>	<i>4,000</i>
<i>Leasehold improvements</i>	<i>7,228</i>	<i>7,228</i>
<i>Equipment</i>	<i>7,073</i>	<i>7,290</i>
<i>Motor vehicles</i>	<i>1,197</i>	<i>1,251</i>
<i>Construction-in-progress</i>	<i>304</i>	<i>304</i>
Intangible assets	36,292	36,412
<i>Customer relationships</i>	<i>362</i>	<i>362</i>
<i>Goodwill and Trademarks (Food Junction)</i>	<i>35,930</i>	<i>36,050</i>
Investment in a joint venture company	2,265	2,265
Long-term investments	2,520	2,520
Other debtors	6,737	6,737
Prepayments and other recoverables	457	457
Deferred tax assets	885	885
	69,460	79,649
Current assets		
Stocks	47,098	47,098
Trade debtors	66,281	66,281
Other debtors	5,404	5,404
Prepayments and other recoverables	1,420	1,420
Fixed deposits (restricted)	1,955	1,955
Cash and cash equivalents	88,138	88,138
	210,296	210,296
Total assets	279,756	289,945

	UNAUDITED 31-Dec-16 S\$'000	REVALUED 31-Dec-16 S\$'000
EQUITY AND LIABILITIES		
Current liabilities		
Trade creditors	(47,605)	(47,605)
Other creditors and accruals	(47,220)	(47,220)
Deferred income	(12)	(12)
Provision for reinstatement costs	(1,256)	(1,256)
Loans and borrowings	(2,395)	(2,395)
Tax payable	(4,840)	(4,840)
	(103,328)	(103,328)
Net current assets	106,968	106,968
Non-current liabilities		
Deferred income	(14)	(14)
Provision for reinstatement costs	(3,711)	(3,711)
Loans and borrowings	(248)	(248)
Deferred tax liabilities	(3,924)	(3,924)
	(7,897)	(7,897)
Total liabilities	(111,225)	(111,225)
Net assets	168,531	178,720
Minority interest	(760)	(762)
Net assets (adjusted for MI)	167,771	177,958

No. of shares outstanding	125,667,324	125,667,324
NAV per share	1.335	
Revalued NAV per share		1.416

The RNAV of the Group as at Valuation Date is calculated to be S\$177,958,000 (Singapore Dollar One Hundred Seventy-seven Million Nine Hundred Fifty-eight Thousand Only).

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuations of prudent management of over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

Respectfully submitted,

AVA Associates Limited

Statement of General Assumption and Limiting Conditions

This analysis is subject to the following general assumptions and limiting conditions:

Valuation - General

1. No investigation has been made of, and no responsibility is assumed for, the legal description of the property being valued or legal matters, including title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated. The property is assumed to be free and clear of any liens, easements, encroachments, and other encumbrances unless otherwise stated.
2. Information furnished by others, upon which all or portions of this valuation is based, is believed to be reliable but has not been verified except as set forth in this report. No warranty is given as to the accuracy of such information.
3. This report has been made only for the purpose stated and shall not be used for any other purpose. Neither this report nor any portions thereof (including, without limitations, any conclusions, the identity of AVA or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties other than the Company and its financial accounting firm, by any means without the prior written consent and approval of AVA.
4. This appraisal has been made in conformance with the International Valuation Standards issued by the International Valuation Standards Council.
5. Neither AVA nor any individual signing or associated with this report shall be required by reason of this report to give further consultation, provide testimony or appear in court or other legal proceedings unless specific arrangements therefore have been made.
6. No responsibility is taken for changes in market conditions and no obligation is assumed to revise this report to reflect events or conditions, which occur subsequent to the valuation date hereof.
7. The date of value to which the estimate expressed in this report applies is set forth in the beginning of this report. This valuation is valid only for the valuation date indicated. Our analysis is based on the purchasing power of the United States Dollar as of that date.
8. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government, or private entity or organization have been or can readily be obtained or renewed for any use on which the value estimate provided in this report is based.
9. Full compliance with all applicable federal, state, and local zoning and use, occupancy, environmental, and similar laws and regulations is assumed, unless otherwise stated.
10. Responsible ownership and competent management are assumed.
11. The value estimate is predicated on the financial structure prevailing as of the date of this analysis.
12. This report may not be included or referred to in any statutory filing or other public document.

13. This is a Summary Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the valuation process to develop the valuation professional's estimate of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the valuation professional's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The valuation professional is not responsible for unauthorized use of this report.

Valuation - Property

1. This valuation is prepared in accordance with the Valuation Standards and Guidelines published by the Singapore Institute of Surveyors and Valuers.
2. Our responsibility in connection with this valuation report is limited to our client or person to whom this report is addressed and to that client only. We disclaim all responsibility and accept no liability to any other person(s) or party should this report be used by any such person(s) or party or for any.
3. Any action, claim or proceedings arising out of the engagement of services shall be brought against the Firm with whom the Client has engaged and not against any employee, director or sub-contractor of the Firm involved directly or indirectly in the delivery of the Services.
4. Any liability arising from the Valuer's negligence (if any) in connection with this engagement shall be limited to the amount of fees received for this engagement.
5. The report is considered invalid if there is non-payment of the valuation fees. We shall not be responsible and accept no liability of the report if payment is not received within 30 days from the date of report.
6. Each valuation is current as at the Valuation Date only. The value assessed may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. We also do not assume any responsibility or accept liability where this valuation is relied upon after the expiration of three months from the Valuation Date.
7. The values assessed in this report for the subject property and any allocation of values between parts of the property applies strictly on the terms of and for the purpose of the valuation stated in the report and may not be used for any other purpose.
8. Where it is stated in the report that information has been supplied to us by another party, this information is believed to be reliable and accurate and we accept no responsibility if this information should later prove not to be so.
9. We may adopt assumptions in the valuation being carried out as some matters cannot be calculated accurately or fall outside the scope of our expertise. The risk that any of the assumptions adopted in our valuation may be incorrect should be taken into account. While all reasonable care is taken, we does not warrant or represent that the assumptions on which this valuation is based are accurate or correct.
10. Neither the whole nor any part of this report nor any reference to it may be included in any document, circular or statement nor published in any way without our prior written approval of the form and context in which it may appear.

11. While due care is taken in the course of inspection to note serious building defects, no structural survey has been made and no guarantee is given that the building is free from rot, termite, pest infestation of other hidden defects. We have also not made any tests to the building services (e.g. air-conditioning, fire-fighting systems, lifts, escalators, plumbing and lighting etc.) and these services are presumed to be in good working order.
12. Our valuation assumes that the title(s) is(are) in good order and marketable, free from any liens, mortgages, encumbrances, restrictions and other legal impediments. We accept no responsibility for investigations into title(s), searches, legal requisitions, legal validity of title or any charges, claims, liabilities registered against the title(s). The client is advised to consult his solicitors on any matter concerning the title(s).
13. We have not conducted a land survey to verify the land boundaries and site areas and whether all developments and improvements are within such boundaries. We have assumed, unless otherwise stated, that all developments and improvements are within the boundaries of such land parcel as described in this report and the land parcel is fully owned by the property owner.
14. Any plans or map included in this report are meant for identification purposes and to assist the reader in visualizing the subject property. We have not made any survey of the property and assume no responsibility in connection with such matters.
15. Unless otherwise instructed, we do not carry out requisition with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road improvements, drainage proposal, etc.
16. Our valuation presumes that the subject property, as currently used, is in compliance with the existing land use zoning and is not in contravention of any planning rules or regulations.
17. Our valuation is prepared on the basis that the premises and any works (e.g. alterations and additions) thereto comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a statutory completion by the Building Authority.
18. Our valuation assumes that all development charges and maintenance/service/conservancy charges, if any, whether outstanding or payable as at the date of valuation, have already been fully paid.
19. Our valuation further assumes that, as at the date of valuation, there are no outstanding liabilities or charges attached to the property(ies).
20. In the event that we are instructed to provide a valuation based on kerb-side inspection and/or without the extent of information normally available, our valuation will be dependent on the adequacy and accuracy of the information supplied and/or the assumptions made. Should the information prove to be incorrect or inadequate, the accuracy of the valuation may be affected and we shall not be held responsible for the inaccuracy of the valuation.
21. We shall not be required to give testimony or to appear in court for any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we be properly reimbursed.