CIRCULAR DATED 27 NOVEMBER 2013

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Halcyon Agri Corporation Limited (the "**Company**") represented by physical share certificate(s), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker, or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone: (65) 6229 8088.

HALCYON AGRI

HALCYON AGRI CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200504595D)

CIRCULAR TO SHAREHOLDERS

in relation to the

(1) PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF JFL AGRO PTE. LTD. UNDER CHAPTERS 9 AND 10 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SGX-ST AND THE PROPOSED ALLOTMENT AND ISSUANCE OF 26,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY ("SHARES") AS PART OF THE PURCHASE CONSIDERATION ("PROPOSED ACQUISITION"); AND

(2) PROPOSED ALLOTMENT AND ISSUANCE OF 12,500,000 NEW SHARES TO CREDENCE CAPITAL FUND II (CAYMAN) LIMITED ("PROPOSED CREDENCE PLACEMENT")

Independent Financial Adviser to the Non-Interested Directors and Audit Committee in relation to the Proposed Acquisition

ASIAN CORPORATE ADVISORS PTE. LTD.

(Company Registration Number 200310232R)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	10 December 2013 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	12 December 2013 at 10.00 a.m.
Place of Extraordinary General Meeting	:	RELC International Hotel 30 Orange Grove Road (Off Orchard Road) Singapore 258352

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

"*Associate(s)*"	:	(a) In relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more, and (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Audit Committee"	:	The audit committee of the Company as at the date of this Circular
"Board"	:	The board of Directors of the Company as at the date of this Circular
"Cash Consideration"	:	The Purchase Consideration to be satisfied in cash, as more particularly set out in Sections 2.4.2 and 2.4.3 of this Circular
"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	:	Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended or modified from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 27 November 2013
"CLS"	:	Chip Lam Seng Sdn. Bhd.
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Company"	:	Halcyon Agri Corporation Limited
"Concession"	:	Sultanate lands in relation to approximately 24,327.3 acres of land in Kelantan, Malaysia, consisting of approximately 17,652.8 acres of Cultivable Land and 6,674.5 acres of Non-Cultivable Land
"Conditions Precedent"	:	The conditions precedent contained in the CSPA as set out in Section 2.4.4 of this Circular

"Consideration Shares"	:	The 26,000,000 new Shares to be issued to the Vendors as part of the Purchase Consideration
"Controlling Shareholder(s)"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company, unless otherwise determined by the SGX-ST; or (b) in fact exercises control over the Company
"Credence"	:	Credence Capital Fund II (Cayman) Limited
"Credence Placement Agreement"	:	The agreement dated 6 November 2013 entered into between the Company and Credence, pursuant to which the Company agreed to allot and issue the Credence Placement Shares subject to the terms and conditions of the Credence Placement Agreement
"Credence Placement Shares"	:	12,500,000 new Shares to be allotted and issued to Credence pursuant to the Credence Placement Agreement
"CSPA"	:	The conditional share sale and purchase agreement dated 6 November 2013 entered into between the Company and the Vendors in respect of the Proposed Acquisition
"Cultivable Land"	:	Land located within the Concession which is suitable for the commercial growing of natural rubber
"Dato' Le Mercier"	:	Dato' Lynette Le Mercier, a Controlling Shareholder of the Company
"Directors"	:	The directors of the Company as at the date of this Circular
"EGM"	:	Extraordinary general meeting
"EIA Approval Letter"	:	Environmental Impact Assessment Approval Letter relating to the Concession
"EPS"	:	Earnings per share
"FIL"	:	Forlenza Investments Limited
"FY"	:	The financial year ended, or as the case may be, ending 31 December
"General Mandate Placees"	:	The fifteen individuals/entities who had on 6 November 2013, entered into the General Mandate Placement Agreements with the Company
"General Mandate Placement"	:	The placement of 27,500,000 Placement Shares by the Company which was completed on 22 November 2013, pursuant to the General Mandate Placement Agreements. These Placement Shares were issued pursuant to the general share issuance mandate granted to the Directors by Shareholders by way of an ordinary resolution at the annual general meeting of the Company held on 23 April 2013

"General Mandate Placement Agreements"	:	The placement agreements dated 6 November 2013 entered into between the Company and the General Mandate Placees, pursuant to which the Company agreed to allot and issue 27,500,000 Placement Shares subject to the terms and conditions contained therein
"General Mandate Placement Shares"	:	27,500,000 new Shares allotted and issued to the General Mandate Placees pursuant to the General Mandate Placement
"Group"	:	The Company and its subsidiaries
"Group NTA"	:	The Group's latest audited consolidated NTA
"Halcyon Agri Resources"	:	Halcyon Agri Resources Pte. Ltd.
"Halcyon Investment Corporation"	:	Halcyon Investment Corporation Pte. Ltd.
"IFA Letter"	:	The letter dated 27 November 2013 from the IFA to the Non-Interested Directors and Audit Committee, in relation to the Proposed Acquisition, a copy of which is set out in Appendix A of this Circular
"Independent Financial Adviser" or "IFA" or "ACA"	:	Asian Corporate Advisors Pte. Ltd., the independent financial adviser appointed by the Company to advise the Non-Interested Directors and Audit Committee in relation to the Proposed Acquisition
"Independent Valuer"	:	C H Williams Talhar & Wong Sdn Bhd, an independent firm of professional valuers, registered with The Board of Valuers, Appraisers and Estate Agents Malaysia
"Interested Persons"	:	Means: (a) a director, chief executive officer, or controlling shareholder of the Company; or (b) an associate of any such director, chief executive officer or controlling shareholder.
"IPT"	:	Interested person transaction
"JCL"	:	Jewel Castle Limited
"JFL" or "Target Company"	:	JFL Agro Pte. Ltd.
"Latest Practicable Date"	:	19 November 2013, being the latest practicable date prior to the printing of this Circular
"Lease"	:	The lease of Sultanate lands
"LL"	:	Laveyne Limited
"Long-Stop Date"	:	31 October 2014 or such other date as may be extended by the Company, to obtain the EIA Approval Letter or its equivalent
"NAV"	:	Net asset value
"Non-Cultivable Land"	:	Land located within the Concession which is not Cultivable Land

"Non-Interested Directors"	:	The Directors who are deemed to be independent for the purposes of making a recommendation to Shareholders in respect of the Proposed Acquisition and Proposed Credence Placement, being Robert Gunther Meyer, Pascal Guy Chung Wei Demierre, Alan Rupert Nisbet, Randolph Khoo Boo Teck and Jason Lewis Barakat-Brown
"Notice of EGM"	:	The notice of EGM as set out on pages 82 and 83 of this Circular
"NTA"	:	Net tangible assets
"Ordinary Resolutions"	:	The ordinary resolutions as set out in the Notice of EGM
"Placees"	:	The General Mandate Placees and Credence who had on 6 November 2013, entered into Placement Agreements with the Company
"Placement"	:	General Mandate Placement and Proposed Credence Placement, collectively
"Placement Agreements"	:	The placement agreements dated 6 November 2013 entered into between the Company and the Placees, pursuant to which the Company agreed to allot and issue the Placement Shares subject to the terms and conditions contained therein
"Placement Price"	:	S$0.72 per Placement Share
"Placement Shares"	:	Up to 40,000,000 new Shares to be allotted and issued to the Placees, including the 12,500,000 Credence Placement Shares
"Previous Placement"	:	Refers to the placement of 40,000,000 Shares to Credence completed on 24 June 2013
"Proposed Acquisition"	:	The proposed acquisition by the Company or such nominee as the Company may notify the Vendors, of the Sale Shares
"Proposed Allotment and Issuance of Consideration Shares"	:	The proposed allotment and issuance of the Consideration Shares to the Vendors pursuant to the Proposed Acquisition
"Proposed Credence Placement"	:	The proposed allotment and issuance of the Credence Placement Shares
"Purchase Consideration"	:	The purchase consideration of RM143,224,750 (equivalent to approximately S$55,972,232 based on the exchange rate of RM1.00 to S$0.3908 as at the Latest Practicable Date) payable by the Company to the Vendors for the acquisition of the Sale Shares pursuant to the terms and conditions of the CSPA as detailed in Section 2.4.2 of this Circular
"Sale Shares"	:	10,000 ordinary shares in the share capital of JFL, representing the entire issued and paid up capital of JFL
"Securities Accounts"	:	Securities accounts maintained by a Depositor with CDP but does not include securities sub-accounts
"SGX-ST"	:	Singapore Exchange Securities Trading Limited

"Shareholder(s)"	:	Registered holders of Shares in the register of Members of the Company or, where CDP is the registered holder, the term "**Shareholders**" shall, in relation to such Shares, mean the persons whose direct Securities Accounts maintained with CDP are credited with the Shares
"Shares"	:	Ordinary shares in the share capital of the Company
"Substantial Shareholder(s)"	:	A person who holds directly or indirectly 5% or more of the total issued share capital of the Company
"Target Group"	:	JFL and its wholly owned subsidiaries, JFL Holdings Sdn. Bhd., JFL Agro Sdn. Bhd. and JFL Rubber Sdn. Bhd.
"Valuation Certificate"	:	The valuation certificate issued by the Independent Valuer dated 21 November 2013 in relation to the Concession, a copy of which is set out in Appendix B of this Circular
"Vendors"	:	FIL, JCL and LL, collectively
"RM"	:	Malaysian ringgit
"S$"	:	Singapore dollars
"US$"	:	United States dollars
"%"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

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 include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Catalist Rules or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or the Catalist Rules or any statutory modification thereof, as the case may be.

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

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

HALCYON AGRI CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200504595D)

LETTER TO SHAREHOLDERS

Directors:

Robert Gunther Meyer (Executive Chairman and Chief Executive Officer)
Pascal Guy Chung Wei Demierre (Executive Director)
Alan Rupert Nisbet (Lead Independent Director)
Randolph Khoo Boo Teck (Independent Director)
Jason Lewis Barakat-Brown (Independent Director)

Registered Office:

250 North Bridge Road
#12-01 Raffles City Tower
Singapore 179101

27 November 2013

To: The Shareholders of Halcyon Agri Corporation Limited

Dear Sir/Madam

(1) PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF JFL AGRO PTE. LTD. UNDER CHAPTERS 9 AND 10 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SGX-ST AND THE PROPOSED ALLOTMENT AND ISSUANCE OF 26,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY ("SHARES") AS PART OF THE PURCHASE CONSIDERATION; AND

(2) PROPOSED ALLOTMENT AND ISSUANCE OF 12,500,000 NEW SHARES TO CREDENCE CAPITAL FUND II (CAYMAN) LIMITED

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1. INTRODUCTION

1.1 On 6 November 2013, the Company announced the following:

(a) the Company had entered into the CSPA with the Vendors for the acquisition by the Company or such nominee as the Company may notify the Vendors, of the entire issued and paid up capital of JFL for an aggregate purchase consideration of RM143,224,750; and

(b) the Company had entered into Placement Agreements with the sixteen Placees pursuant to which the Company has agreed to allot and issue up to 40,000,000 Placement Shares at an issue price of S$0.72 for each Placement Share to the Placees, out of which 12,500,000 Placement Shares are to be issued to Credence, a Substantial Shareholder.

1.2 The Proposed Acquisition requires Shareholders' approval due to the following reasons:

(a) it is deemed an IPT pursuant to Chapter 9 of the Catalist Rules as Dato' Le Mercier, a Controlling Shareholder of the Company, is the ultimate beneficial owner of LL, one of the Vendors;

(b) the Target Group is loss making based on its latest audited consolidated financial statements for the financial year ended 31 March 2013; and

(c) it involves the issuance of 26,000,000 Consideration Shares, of which 6,500,000 Consideration Shares are to be issued to an Associate of Dato' Le Mercier.

Further details of the Proposed Acquisition are set out in Section 2 of this Circular.

1.3 Pursuant to Chapter 9 of the Catalist Rules, the IFA has been appointed to advise the Non-Interested Directors and Audit Committee in relation to the Proposed Acquisition. The IFA Letter is set out in **Appendix A** of this Circular and an extract of the IFA's opinion is set out in Section 6 of this Circular.

1.4 The Company had on 22 November 2013, completed the General Mandate Placement with the issuance and allotment of 27,500,000 Placement Shares to the General Mandate Placees and received gross proceeds of S$19,800,000.

1.5 Credence is a Substantial Shareholder and hence is a person falling under Rule 812(1) of the Catalist Rules. Therefore, the Proposed Credence Placement is subject to Shareholders' approval. Further details on the Proposed Credence Placement are set out in Section 3 of this Circular.

1.6 The Proposed Acquisition and the Proposed Credence Placement are not conditional upon each other.

1.7 The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Proposed Acquisition and the Proposed Credence Placement (collectively, the "**Proposed Transactions**"), including the rationale for and benefits thereof to the Group and to seek Shareholders' approval for the Proposed Transactions at the forthcoming EGM, notice of which is set out in this Circular.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information on the Vendors

2.1.1 Forlenza Investment Limited

FIL is an investment holding company incorporated in the British Virgin Islands and holds 51% of the total issued share capital of JFL. The beneficial owner of the entire issued share capital of FIL is HRH Tengku Muhammad Faris Petra ibni Sultan Ismail Petra, the Sultan of Kelantan.

2.1.2 Jewel Castle Limited

JCL is an investment holding company incorporated in the British Virgin Islands and holds 24.5% of the total issued share capital of JFL. The beneficial owner of the entire issued share capital in JCL is Dato' Soo Sze Ching.

2.1.3 Laveyne Limited

LL is an investment holding company incorporated in the British Virgin Islands and holds 24.5% of the total issued share capital of JFL. The beneficial owner of the entire issued share capital in LL is Dato' Le Mercier.

2.2 Information on the Target Group

2.2.1 The Target Company is a Singapore-incorporated investment holding company, with FIL, JCL and LL respectively holding 51.0%, 24.5% and 24.5% of the shares in the Target Company.

2.2.2 The assets and properties of the Target Company include the following (the "**Key Assets**"):

(a) the wholly-owned Malaysian subsidiary, JFL Holdings Sdn. Bhd., whose assets include:

(i) the Lease in relation to the Concession; and

(ii) cash of approximately RM6,000 (subject to deductions for any operational expenses of JFL Holdings Sdn. Bhd. and/or JFL Agro Sdn. Bhd. up to the date of completion).

(b) the wholly-owned Malaysian subsidiary, JFL Agro Sdn. Bhd., whose assets include:

(i) cash of approximately RM10,000 (subject to deductions for operational expenses of JFL Agro Sdn. Bhd. and/or JFL Holdings Sdn. Bhd. up to the date of completion);

(ii) palm tree seedlings of an estimated value of RM200,000;

(iii) planted palm trees covering an area of approximately 300 hectares of the Cultivable Land (to be completed by 31 December 2013); and

(iv) property, plant, vehicles, equipment, and machinery of an estimated value of RM1,814,000 (subject to depreciation).

(c) the wholly-owned Malaysian subsidiary, JFL Rubber Sdn. Bhd., whose assets include cash of approximately RM30,000.

2.2.3 Based on the latest audited consolidated financial statements of the Target Group for the financial year ended 31 March 2013, the NAV and NTA of the Target Group was S$1,627,545 as at 31 March 2013. The loss before tax of the Target Group for the financial year ended 31 March 2013 was S$548,324.

2.2.4 The Target Group recorded a loss before tax because it has yet to generate any operating revenue. As such, the loss before tax for the financial year ended 31 March 2013 was primarily attributable to the operating costs incurred by the Target Group. The Target Group's current operating costs are insignificant to the Group.

2.3 Valuation on the Concession

In connection with the Proposed Acquisition, the Company had on 29 October 2013, commissioned the Independent Valuer to conduct a valuation on the Concession and the value of the Concession was determined to be RM145,000,000 (equivalent to approximately S$56,666,000 based on the exchange rate of RM1.00 to S$0.3908 as at the Latest Practicable Date) as at the date of valuation of 9 November 2013. As stated in the Valuation Certificate, the valuation was based on the market value of the Concession using the comparison method. The comparison method entails analysing recent transactions and asking prices of similar properties in and around the locality for comparison purposes with adjustments made for differences in location, terrain, size and shape of land, tenure, title restrictions if any, cultivation and other relevant characteristics to arrive at the market value.

A copy of the Valuation Certificate is reproduced in **Appendix B** of this Circular. Shareholders are advised to read the Valuation Certificate in its entirety.

2.4 Principal Terms of the CSPA

2.4.1 Sale Shares

The Proposed Acquisition involves the acquisition of the Sale Shares, free from all encumbrances and together with all rights and benefits attaching thereto at the aggregate Purchase Consideration of RM143,224,750 (equivalent to approximately S$55,972,232 based on the exchange rate of RM1.00 to S$0.3908 as at the Latest Practicable Date).

2.4.2 Purchase Consideration

The Purchase Consideration for the Sale Shares comprise:

(a) the Cash Consideration which will be funded through a combination of internal resources, bank borrowings and/or additional equity fund raising exercise(s), including proceeds from the Placement; and

(b) the allotment and issuance of 26,000,000 Consideration Shares based on the issue price of S$0.72 per Consideration Share to the Vendors as set out below:

Name of Vendor	Interest in Target Company	Number of Consideration Shares
FIL	51.0%	13,000,000
JCL	24.5%	6,500,000
LL	24.5%	6,500,000

The issue price per Consideration Share represents a discount of approximately 4.01% to the weighted average price of S$0.7501 for each Share, based on trades done on Catalist of the SGX-ST on 1 November 2013 (being the last full market day prior to which the CSPA was signed). The Consideration Shares, when issued and fully-paid, shall rank *pari passu* in all respects with the existing ordinary shares of the Company save that they will not rank for any dividend, rights, allotments or other distributions, the record date of which falls on or before the date of completion of the allotment and issue of the Consideration Shares.

The Consideration Shares represent:

(a) 7.88% of the issued and paid-up share capital of 330,000,000 as at the Latest Practicable Date;

(b) 7.27% of the issued and paid-up share capital of 357,500,000 upon the completion of the allotment and issuance of the General Mandate Placement Shares;

(c) 6.78% of the issued and paid-up share capital of 383,500,000 upon the completion of the allotment and issuance of the General Mandate Placement Shares and the Consideration Shares; and

(d) 6.57% of the issued and paid-up share capital of 396,000,000 upon the completion of the allotment and issuance of the General Mandate Placement Shares, the Consideration Shares and the Credence Placement Shares.

The Purchase Consideration was arrived at on a willing-buyer and willing-seller basis after taking into account the intrinsic value of the Cultivable Land of the Target Group's Concession and the potential synergistic benefits to the Group arising from the Proposed Acquisition.

2.4.3 Payment of Purchase Consideration

The Purchase Consideration is to be satisfied in two tranches in the following manner, subject to the provisions of the CSPA:

(a) upon the fulfilment and satisfaction (or waiver by the Company) of the Conditions Precedent (the "**Completion Date**"):

(i) by the issue of 26,000,000 Consideration Shares to the Vendors (or such nominee(s) as each Vendor may notify the Company in writing); and

(ii) by a cash payment to be calculated according to the following formula ("**Interim Cash Consideration**"):

Interim Cash Consideration = (Purchase Consideration / 2) – Value of Consideration Shares which is equivalent to S$18,720,000

(b) upon fulfilment and satisfaction (or waiver by the Company) of the conditions subsequent to the Proposed Acquisition outlined in Section 2.4.5 below (the "**Final Payment Date**"):

(i) by a cash payment to be calculated according to the following formula ("**Final Cash Consideration**"):

Final Cash Consideration = Purchase Consideration – Interim Cash Consideration – Value of Consideration Shares which is equivalent to S$18,720,000

2.4.4 <u>Conditions Precedent to the Proposed Acquisition</u>

The Proposed Acquisition is conditional upon the fulfillment and satisfaction (or waiver by the Company) of, *inter alia*, the following conditions:

(a) the completion of satisfactory legal, financial and tax due diligence by the Company and its advisers on the Target Group and the Key Assets;

(b) the approval of the Shareholders having been obtained for the Proposed Acquisition;

(c) all approvals and consents as may be necessary from any third party, governmental or regulatory body or relevant competent authority, being granted or obtained, and being in full force and effect and not having been withdrawn, suspended, amended or revoked;

(d) no material adverse change (as determined by the Company in its reasonable discretion) in the prospects, operations or financial conditions of the Target Group on or before the Completion Date;

(e) all warranties, representations and undertakings provided by the Vendors under the CSPA being complied with, and are true, accurate and correct as at the date of the CSPA and each day up to and including the Completion Date;

(f) the Company being satisfied in its reasonable discretion, that the businesses of the Target Group have been carried on in a satisfactory manner up to the Completion Date, and all approvals and consents (including any governmental, regulatory and/or corporate approvals and consents) required for its business have been obtained, and are and shall remain on the Completion Date, valid and effective and not withdrawn or amended;

(g) the execution and performance of the CSPA not being prohibited, restricted, curtailed, hindered, impaired or otherwise adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority; and

(h) the Target Group, having received in-principle approval for the preliminary environmental impact assessment document in respect of the Concession from the *Jabatan Perancangan Bandar dan Desa Negeri Kelantan* or such appropriate Malaysian governmental body, in respect of all four plots of land under the Concession.

The Company had on 14 November 2013, received the listing and quotation notice from the SGX-ST ("**LQN**") for the dealing in, listing of and quotation for, *inter alia*, the Consideration Shares on the Catalist. The LQN granted by the SGX-ST is not to be taken as an indication of the merits of the Consideration Shares, the Proposed Acquisition, the Company, its subsidiaries and their securities.

2.4.5 Conditions Subsequent to the Proposed Acquisition

The Vendors shall procure and ensure the issuance of an EIA Approval Letter or its equivalent (the "**EIA Approval**") in respect of the Concession by the Department of Environment, Kelantan or such appropriate Malaysian governmental body to the Target Group, by the Long-Stop Date. The Directors are satisfied and confident that, in the event that the in-principle approval for the preliminary environmental impact assessment document in respect of the Concession is obtained, that the EIA Approval will be forthcoming.

The Company shall make payment of the Final Cash Consideration to the Vendors on the seventh (7th) day after its issuance of notice to the Vendors notifying the receipt of the EIA Approval.

In the event the EIA Approval is not granted to the Target Group by the Long-Stop Date, the Company has a right to waive the Vendors' obligation to procure the EIA Approval and the Company shall be under no obligation to make payment of the Final Cash Consideration.

2.4.6 Completion

Subject to the satisfaction (or waiver) of the Conditions Precedent, completion of the Proposed Acquisition shall take place on or before 31 December 2013 (or such later date as the Company and Vendors may agree in writing). The Directors confirmed that the Company will not waive the condition pertaining to the in-principle approval for the preliminary environmental impact assessment document in respect of the Concession.

2.5 Rationale and Benefits for the Proposed Acquisition

The Board believes that the Proposed Acquisition is in the best interests of the Company and its shareholders for the following reasons:

(a) The Proposed Acquisition represents a major strategic advancement of the Group's business into the upstream segment of the Malaysian natural rubber supply chain. The development of the Concession into a natural rubber plantation will be in line with the Group's commitment to sustainability;

(b) The investment in upstream natural rubber in Malaysia is complementary to the Group's recently announced expansion into Malaysia through the proposed acquisition of the rubber processing assets of CLS; and

(c) Once the rubber plantation is fully mature, it will provide up to 10% of the required raw material for the CLS factories, enabling the Group to capture both the upstream planting margin as well as additional processing margin by producing ultra-premium/specialty grades of rubber by having full custody of the raw material supply chain.

2.6 Risk Factors relating to the Proposed Acquisition

(a) For successful implementation of its upstream expansion strategies, the Group will need to make significant initial investment in infrastructure and resources which may not result in the increase in volumes or margins that the Group has anticipated. The Group may be required to divert resources to resolve unexpected problems arising from such expansion plans. The Group may also not be able to generate a return on its initial investments in the short term. In such circumstances, the Group's operating results and financial position may be adversely affected.

(b) The development of the Concession would be materially and adversely affected by any change in legislation, regulations or policies of the Malaysian government. The compliance with any such new government legislation, regulations or policies may also increase our costs and any significant increase in compliance costs arising from such new government legislation, regulations or policies may adversely affect the Group's results of operations.

(c) The present political climate in Malaysia may lead to changes to the political leadership, investment policies, taxation, expropriation, changes in interest rates and changes in regulatory structure which could materially and/or adversely affect the Group's profitability and its business prospects.

(d) Overseas expansion involves numerous risks, including but not limited to the financial costs of setting up overseas operations, investment in equipment and working capital requirements as well as operational, business, political, social, economic, legal and regulatory risks. There can be no assurance that the Group's overseas operations will be viable or will achieve a sufficient level of revenue which will cover its operational costs and if the Group fails to manage its expansion plans and the related risks and costs, its operations and its financial performance may be adversely affected.

2.7 Directors' Service Contracts

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition. Accordingly no service contract is proposed to be entered into between the Company and any such person.

2.8 Chapter 9 of the Catalist Rules

The Company is an entity at risk within the meaning of Chapter 9 of the Catalist Rules in relation to the Proposed Acquisition. Dato' Le Mercier, a Controlling Shareholder of the Company, has an indirect interest representing 24.5% shareholding of the total issued and paid-up share capital of the Target Company as she is the ultimate beneficial owner of LL, one of the Vendors. As such, Dato' Le Mercier and her Associate, LL, are interested persons falling within the meaning of Chapter 9 of the Catalist Rules.

The value of the IPT is approximately S$13.75 million, and based on the Group NTA of US$16.27 million as at 31 December 2012 (equivalent to approximately S$20.20 million), the value of the IPT is approximately 68% of the Group NTA.

As the value of the IPT exceeds 5% of the Group NTA, the Company would like to seek the approval of Shareholders for the Proposed Acquisition pursuant to Rule 906(1) of the Catalist Rules at the EGM as set out in the Notice of EGM.

Save for the above, the Group has not entered into any other transaction with Dato' Le Mercier since the beginning of this financial year ending 31 December 2013.

The total value of all IPTs entered into by the Group with all Interested Persons since the beginning of this financial year ending 31 December 2013 up to 30 September 2013 amounts to S$360,000.

2.9 Chapter 10 of the Catalist Rules

For the purposes of Chapter 10 of the Catalist Rules, the relative figures for the Proposed Acquisition computed using the applicable bases of comparison set out in Rule 1006 of the Catalist Rules based on the latest announced consolidated financial statements of the Group for the financial period ended 30 September 2013 are set out below:

Rule 1006	**Bases**	**Relative Figures (%)**
(a)	Net asset value of the assets to be disposed of compared with the Group's net asset value	Not applicable (1)
(b)	Net loss attributable to the assets acquired, compared with the Group's net profits	(4)(2)
(c)	Aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	22 (3)

Rule 1006	Bases	Relative Figures (%)
(d)	The number of equity securities issued by the Company as consideration for the Proposed Acquisition compared with the number of equity securities previously in issue	8
(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable [(1)]

Notes:

(1) This basis is not applicable to the Proposed Acquisition.

(2) The net loss attributable to the assets acquired is determined based on the pro-rated 9 months audited net loss of the Target Company of approximately S$0.411 million (equivalent to approximately US$0.331 million based on the exchange rate of S$1.00: US$0.8053 as at 1 November 2013) for the financial year ended 31 March 2013.

(3) The Company's market capitalisation was approximately S$247.5 million, determined by multiplying the 330,000,000 Shares in issue as at the date of the announcement being 6 November 2013, by the weighted average price of the Company's Shares of S$0.7501 per Share based on trades done on Catalist of the SGX-ST on 1 November 2013 (being the last market day preceding the date of the CSPA).

As the applicable relative figures computed under Rule 1006(c) of the Catalist Rules exceed 5% but have not exceeded 75%, the Proposed Acquisition is not a major transaction but constitutes a Discloseable Transaction to which Rule 1010 (read with Rule 1006) of the Catalist Rules applies.

However, as the Target Company is loss making based on its latest audited consolidated financial statements for the financial year ended 31 March 2013, the Company would like to seek the approval of Shareholders for the Proposed Acquisition at the EGM as set out in the Notice of EGM.

3. DETAILS OF THE PROPOSED CREDENCE PLACEMENT

3.1 The Credence Placement Agreement

Pursuant to the Credence Placement Agreement, Credence has agreed to subscribe for and the Company has agreed to issue and allot to Credence 12,500,000 Placement Shares at a Placement Price of S$0.72 for each Placement Share.

3.2 Information on Credence

Credence is managed by Credence Partners Pte. Ltd., which was founded in 2006 by Mr. Koh Boon Hwee, Mr. Tan Chow Boon and Mr. Seow Kiat Wang. Credence Partners Pte. Ltd. is a Singapore-based private equity firm, which through its funds, provides growth stage capital in the manufacturing, information communication technologies, services, logistics and consumer sectors in the South East Asia region. Investors of Credence comprise fund of funds, family offices, corporations and high net worth individuals.

Credence was introduced by the Company's Executive Chairman and Chief Executive Officer, Mr. Robert Gunther Meyer. No commission or other payment was made by the Company to Mr. Robert Gunther Meyer for introducing Credence to subscribe for the Credence Placement Shares or otherwise.

Credence is a private investor that has agreed to subscribe for the Credence Placement Shares for investment purposes. The Credence Placement Shares are placed to Credence as they have indicated an interest to invest in the Company.

3.3 Placement Price

The Placement Price was arrived at following arm's length negotiations between the Company and Credence and represents a discount of approximately 4.01% to the weighted average price of S$0.7501 for each Share, based on trades done on Catalist of the SGX-ST on 1 November 2013 (being the last full market day prior to which the Credence Placement Agreement was signed). The discount of 4.01% is within the 10% discount limit as stated in Rule 811(1) of the Catalist Rules.

3.4 The Credence Placement Shares

The Credence Placement Shares, when issued and fully-paid, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the Shares existing as at the date of issue of the Credence Placement Shares save that they will not rank for any dividend, rights, allotments or other distributions, the record date of which falls on or before the date of completion of the allotment and issue of the Credence Placement Shares.

The Credence Placement Shares represent:

(a) 3.79% of the issued and paid-up share capital of 330,000,000 as at the Latest Practicable Date;

(b) 3.50% of the issued and paid-up share capital of 357,500,000 upon the completion of the allotment and issuance of the General Mandate Placement Shares;

(c) 3.38% of the issued and paid-up share capital of 370,000,000 upon the completion of the allotment and issuance of the General Mandate Placement Shares and the Credence Placement Shares; and

(d) 3.16% of the issued and paid-up share capital of 396,000,000 upon the completion of the allotment and issuance of the General Mandate Placement Shares, the Consideration Shares and the Credence Placement Shares.

3.5 Conditions of the Proposed Credence Placement

The Proposed Credence Placement is conditional upon, *inter alia*, the following conditions:

(a) the receipt by the Company of the LQN from the SGX-ST for the listing of and quotation for the Placement Shares on the Catalist of the SGX-ST being obtained and such approval not having been revoked or amended and, where such approval is subject to conditions, (which are not normally imposed by the SGX-ST for a transaction of a similar nature), such conditions being acceptable to Credence and, to the extent that any conditions for such approval are required to be fulfilled on or before the completion of the Proposed Credence Placement, they are so fulfilled or waived by the SGX-ST;

(b) Shareholders' approval for the Proposed Credence Placement having been obtained at the EGM;

(c) the issue and subscription of the Credence Placement Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Credence Placement Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company; and

(d) there having been, as at the date of completion of the Proposed Credence Placement, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect any of the warranties contained in the Credence Placement Agreement as if they were repeated on and as of the aforesaid date.

Subject to the satisfaction of the abovementioned conditions precedent, completion of the Proposed Credence Placement shall take place on or before the 60th business day following the date of the Credence Placement Agreement which shall be a date no earlier than 4 calendar weeks from the date the condition referred to in Section 3.5 (b) above is satisfied (or such other date as the Company and Credence may agree in writing).

The Company had on 14 November 2013, received the LQN from the SGX-ST for the dealing in, listing of and quotation for the Credence Placement Shares on the Catalist. The LQN granted by the SGX-ST is not to be taken as an indication of the merits of the Credence Placement Shares, the Proposed Credence Placement, the Company, its subsidiaries and their securities.

3.6 Rationale for the Proposed Credence Placement and Use of Proceeds

The Board believes that the Proposed Credence Placement will strengthen the capital base of the Company as well as fund the growth and expansion of the Group's business.

The Proposed Credence Placement will raise gross proceeds of approximately S$9,000,000.

The proceeds from the Previous Placement, General Mandate Placement and the Proposed Credence Placement will be applied solely for strategic purposes including but not limited to the financing of the Group's expansion plans, *inter alia*, to fund the acquisition of the CLS assets, acquisition of P.T. Golden Energi and the Proposed Acquisition. The funds are not to be used for the Company's general working capital requirements.

As at the Latest Practicable Date, the Company has utilised US$2.1 million (out of the net proceeds of approximately US$16.3 million from the Previous Placement) for the proposed acquisition of the CLS assets.

The Company will make periodic announcements on the utilisation of the proceeds from the Proposed Credence Placement, General Mandate Placement and Previous Placement as and when they are materially disbursed, and provide a status report on the use of such proceeds in the Company's quarterly and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report.

3.7 No Prospectus or Offer Information Statement

The Proposed Credence Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

3.8 Confirmation by Directors

The Directors of the Company are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding this, proceeds from the Proposed Credence Placement will be used to fund the growth and expansion of the Group's business.

4. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND THE PROPOSED CREDENCE PLACEMENT

The financial effects of the Proposed Acquisition and the Proposed Credence Placement on the Group as set out below are for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Proposed Acquisition and the Proposed Credence Placement. The financial effects set out below have been prepared based on the latest audited consolidated financial statements of the Group for FY2012 and the Target Group's audited financial statements for the financial year ended 31 March 2013, and on the following key assumptions:

(a) the effect of the transaction on the EPS of the Group shown below is based on the assumption that the Proposed Acquisition and the Proposed Credence Placement had been effected at the beginning of FY2012; and

(b) the effect of the transaction on the NTA per share of the Group shown below is based on the assumption that the Proposed Acquisition and the Proposed Credence Placement had been effected at the end of FY2012.

4.1 EPS

	As at 31 December 2012	(I) After the issuance of 27,500,000 General Mandate Placement Shares	(II)(a) After (I) and the completion of the Proposed Acquisition only	(II)(b) After (I) and the completion of the Proposed Credence Placement only	(III) After (II)(a) and the completion of the Proposed Credence Placement
Earnings (US$'000)	9,869 (1)	9,869	9,429 (2)	9,869	9,429 (2)
Number of issued shares ('000)	330,000 (3)	357,500	383,500	370,000	396,000
Adjusted EPS (US$ cents)	2.99	2.76	2.46	2.67	2.38
Adjusted EPS (S$ cents) (4)	3.73	3.44	3.06	3.32	2.97

Notes:

(1) The earnings is based on the audited consolidated profit attributable to the owners of the Company for FY2012.

(2) The earnings included item under note (1) and the Target Group's audited net loss for the financial year ended 31 March 2013, translated at the exchange rate of S$1.00:US$0.8024 as at the Latest Practicable Date.

(3) For comparative purposes, the number of ordinary shares in issue as at 30 September 2013 of 330,000,000 has been used.

(4) Translated at the exchange rate of S$1.00:US$0.8024 as at the Latest Practicable Date.

4.2 NTA

	As at 31 December 2012	(I) After the issuance of 27,500,000 General Mandate Placement Shares	(II)(a) After (I) and the completion of the Proposed Acquisition only	(II)(b) After (I) and the completion of the Proposed Credence Placement only	(III) After (II)(a) and the completion of the Proposed Credence Placement
Consolidated NTA (US$'000)	16,270 (1)	32,158 (2)	48,486 (3)	39,380 (4)	55,708 (5)
Number of issued shares ('000)	330,000 (6)	357,500	383,500	370,000	396,000
Adjusted NTA (US$ cents)	4.93	9.00	12.64	10.64	14.07
Adjusted NTA (S$ cents) (7)	6.14	11.21	15.76	13.26	17.53

Notes:

(1) Based on the Group's audited consolidated NTA as at 31 December 2012.

(2) The NTA included item under note (1) and the effect on the NTA arising from the issuance of the 27,500,000 General Mandate Placement Shares pursuant to the General Mandate Placement, translated at the exchange rate of S$1.00:US$0.8024 as at the Latest Practicable Date.

(3) The NTA included item under note (2), the Target Group's audited NTA as at 31 March 2013, translated at the exchange rate of S$1.00: US$0.8024 as at the Latest Practicable Date and the effect on the NTA arising from the issuance of the 26,000,000 Consideration Shares pursuant to the Proposed Acquisition.

(4) The NTA included item under note (2) and the effect on the NTA arising from the issuance of the 12,500,000 Credence Placement Shares pursuant to the Proposed Credence Placement.

(5) The NTA included items under note (2) and (3).

(6) For comparative purposes, the number of ordinary shares in issue as at 30 September 2013 of 330,000,000 has been used.

(7) Translated at the exchange rate of S$1.00:US$0.8024 as at the Latest Practicable Date.

5. CHANGE IN INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are set out below:

	(I)				(II)			
	As at the Latest Practicable Date				After the issuance of 27,500,000 General Mandate Placement Shares			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Robert Gunther Meyer[(1)]	4,550,000	1.38	4,550,000	1.38	4,550,000	1.27	4,550,000	1.27
Pascal Guy Chung Wei Demierre	4,400,000	1.33	–	–	4,400,000	1.23	–	–
Alan Rupert Nisbet[(2)]	–	–	400,000	0.12	–	–	400,000	0.11
Randolph Khoo Boo Teck	–	–	–	–	–	–	–	–
Jason Lewis Barakat-Brown	150,000	0.05	–	–	150,000	0.04	–	–
Substantial Shareholders (other than Directors):								
Halcyon Agri Resources[(3)]	100,800,000	30.55	–	–	100,800,000	28.20	–	–
Halcyon Investment Corporation[(4)]	–	–	100,800,000	30.55	–	–	100,800,000	28.20
Michael Tay Wee Jin[(4)]	1,100,000	0.33	100,800,000	30.55	1,100,000	0.31	100,800,000	28.20
Credence	40,000,000	12.12	–	–	40,000,000	11.19	–	–
Lynette Le Mercier[(5)]	55,000,000	16.67	–	–	55,000,000	15.38	–	–
Leonard Beschizza	18,800,000	5.70	–	–	18,800,000	5.26	–	–
Andrew Trevatt	19,400,000	5.88	–	–	19,400,000	5.43	–	–

	(III)(a)				(III)(b)			
	After (II) and the Proposed Acquisition only				After (II) and the Proposed Credence Placement only			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors:								
Robert Gunther Meyer[(1)]	4,550,000	1.19	4,550,000	1.19	4,550,000	1.23	4,550,000	1.23
Pascal Guy Chung Wei Demierre	4,400,000	1.15	–	–	4,400,000	1.19	–	–
Alan Rupert Nisbet[(2)]	–	–	400,000	0.10	–	–	400,000	0.11
Randolph Khoo Boo Teck	–	–	–	–	–	–	–	–
Jason Lewis Barakat-Brown	150,000	0.04	–	–	150,000	0.04	–	–
Substantial Shareholders (other than Directors):								
Halcyon Agri Resources[(3)]	100,800,000	26.28	–	–	100,800,000	27.24	–	–
Halcyon Investment Corporation[(4)]	–	–	100,800,000	26.28	–	–	100,800,000	27.24
Michael Tay Wee Jin[(4)]	1,100,000	0.29	100,800,000	26.28	1,100,000	0.30	100,800,000	27.24
Credence	40,000,000	10.43	–	–	52,500,000	14.19	–	–
Lynette Le Mercier[(5)]	55,000,000	14.34	6,500,000	1.70	55,000,000	14.86	–	–
Leonard Beschizza	18,800,000	4.90	–	–	18,800,000	5.08	–	–
Andrew Trevatt	19,400,000	5.06	–	–	19,400,000	5.24	–	–

	(IV)			
	After (II) and the Proposed Acquisition and the Proposed Credence Placement			
	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Directors				
Robert Gunther Meyer[(1)]	4,550,000	1.15	4,550,000	1.15
Pascal Guy Chung Wei Demierre	4,400,000	1.11	–	–
Alan Rupert Nisbet[(2)]	–	–	400,000	0.10
Randolph Khoo Boo Teck	–	–	–	–
Jason Lewis Barakat-Brown	150,000	0.04	–	–
Substantial Shareholders (other than Directors):				
Halcyon Agri Resources[(3)]	100,800,000	25.45	–	–
Halcyon Investment Corporation[(4)]	–	–	100,800,000	25.45
Michael Tay Wee Jin[(4)]	1,100,000	0.28	100,800,000	25.45
Credence	52,500,000	13.26	–	–
Lynette Le Mercier[(5)]	55,000,000	13.89	6,500,000	1.64
Leonard Beschizza	18,800,000	4.75	–	–
Andrew Trevatt	19,400,000	4.90	–	–

Notes:

(1) Robert Gunther Meyer is deemed to be interested in the Shares held by his father, Gunther Richard Meyer and Nut Hill Investments Ltd. Nut Hill Investments Ltd. is an investment holding company incorporated in British Virgin Islands and is wholly owned by Tan Su-Lyn, who is Robert Gunther Meyer's wife.

(2) Alan Rupert Nisbet is deemed to be interested in the 400,000 Shares held by his spouse, Low Yu Cheng.

(3) Halcyon Agri Resources is an investment holding company incorporated in Singapore and is wholly owned by Halcyon Investment Corporation.

(4) Halcyon Investment Corporation is deemed interested in the Shares held by virtue of its shareholdings in Halcyon Agri Resources. Michael Tay Wee Jin is deemed interested in the Shares held by virtue of his shareholding in Halcyon Investment Corporation.

(5) Lynette Le Mercier is deemed to be interested in the Shares held by LL, by virtue of her beneficial interest in LL.

6. INDEPENDENT FINANCIAL ADVISER'S OPINION

ACA has been appointed as the IFA to advise the Non-Interested Directors and Audit Committee to render an opinion as to whether the Proposed Acquisition is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority Shareholders.

The IFA's opinion is extracted and set out in italics as follows:

"***6. Opinion***

In arriving at our recommendation, we have reviewed and examined the following factors summarized below as well as others elaborated elsewhere in our Letter which we have considered to be pertinent in our assessment of the Proposed Acquisition as Interested Person Transaction, including the views of and representations by the Directors. Our recommendation or opinion is by no means an indication of the merits of the prospects, financial performance and position of the Company or the Group or the Target Company or possibilities or feasibilities that the Environmental Impact Assessment Approval Letter relating to the Concession can be obtained. The following should be read in conjunction with, and in the context of, the full text of this Letter.

(a) The rationale for and benefit of the Proposed Acquisition wherein we note from Section 2.5 of the Circular that, inter alia, the Proposed Acquisition represents a major strategic advancement of the Group's business into the upstream segment of the Malaysian natural rubber supply chain. It is complementary to the Group's recently announced expansion into Malaysia through the proposed acquisition of the rubber processing assets of Chip Lam Seng Sdn. Bhd. The Directors consider the Proposed Acquisition to be in the interest of and beneficial to the Group.

(b) The Target Company was established on 28 June 2011 but it only started development of its assets in September 2012. The Target Company recorded a loss after-tax of approximately S$548.3 thousand and S$109.3 thousand for TFY2013 and TFP2012 respectively. We understand that the loss incurred was mainly due to its start-up nature and that no operating revenues were generated during TFP2012 and TFY2013.

(c) The evaluation of the Purchase Consideration (as set out in Section 4 of this Letter) after taking into account, inter alia, the following factors:

(i) The Purchase Consideration represents a discount of approximately 1.2% from the Market Value of the Concession ascribed by the Independent Valuer.

(ii) The Purchase Consideration represents a discount of approximately 4.0% from the Revalued NAV or Revalued NTA of the Target Group (as set out in Section 4.2.2 of this Letter). Likewise, we note that the Selected Target's Comparable Companies are traded at an average premium of approximately 120.4% above their respective NTA (based on the respective last transacted prices as at the Latest Practicable Date and NTA as at last financial year).

(iii) The Target Group's value based on the Purchase Consideration is within the range but higher than the simple average and the median for the Selected IPT Acquisitions and the Target Group's P/NAV and P/NTA ratios of approximately 0.96 times as implied by the Purchase Consideration, the Revalued NAV and the Revalued NTA are within the range and lower than the simple average and in line with the median for the Selected IPT Acquisitions.

(d) The Issue Price for the 26,000,000 Consideration Shares after taking into account, inter alia, the following factors:

(i) The Issue Price represents a discount of approximately 4.0% to the last transacted price of S$0.750 for each Share on the Catalist on 1 November 2013, being the Market Day immediately preceding the CSPA Announcement Date;

(ii) *The Issue Price represents a discount of approximately 8.3% to the last transacted price of S$0.785 for each Share on the Catalist on 9 September 2013, being the Term Sheet Announcement Date.*

(iii) *The Issue Price represents a premium of approximately 11.9%, and 3.7% over the VWCP for the Shares for the period from the Date of Listing till the Term Sheet Announcement Date and 6-month VWCP for the Shares prior to the Term Sheet Announcement Date respectively.*

(iv) *The Issue Price represents a discount of approximately 4.7%, and 0.5% from the 3-month and 1-month VWCP for the Shares prior to the Term Sheet Announcement Date respectively.*

(v) *The Issue Price represents a discount of approximately 6.4% from the VWCP for the Shares for the period commencing from the Market Day immediately after the Term Sheet Announcement Date and ending on the Latest Practicable Date.*

(vi) *The Issue Price represents a premium of approximately 3.6% from the last transacted price of S$0.695 for each Share on the Catalist on 19 November 2013, being the Latest Practicable Date.*

(vii) *The Issue Price for the 26,000,000 Consideration Shares and the Placement Price for both the General Mandate Placement and the Proposed Credence Placement is similar.*

(viii) *The Group's valuation ratios in terms of EV/EBITDA, P/NAV and P/NTA (as implied by the Issue Price) are higher and more favourable than the simple average and median for the Selected Comparable Companies. Meanwhile, the Group's valuation in terms of PER (as implied by the Issue Price) is lower than the simple average for the Selected Comparable Companies. The relatively lower PER should be reviewed in the light of the Group's better financial performance (in terms of ROE, net profit margin and asset turnover ratio as compared to the Selected Comparable Companies) but slightly higher financial leverage (as compared to the Selected Comparable Companies for both the ratio for total borrowings to shareholders' equity and total liabilities to shareholders' equity) as well as favourable EV/EBITDA valuation.*

(ix) *The relatively favourable comparison of the Issue Price against the IPO and the May 2013 Placement as set out in Section 5.10 of this Letter.*

(e) *The minimum dilution impact on existing public Shareholders' interest and the minimum reduction in the voting interest of the existing Public Shareholders pursuant to the Proposed Acquisition as set out in Section 5.3 of this Letter.*

(f) *The Proposed Acquisition (in terms of financial effects) will lower the EPS of the Group as the Target Company has a relatively short operating track record and had incurred a loss after tax in TFY2013 but will result in an increase in the Group's NTA per Share. We note that the Proposed Acquisition (excluding the financial effects of the General Mandate Placement and the Proposed Credence Placement) would lead to an increase in the Group's NTA per Share from approximately 4.93 US$ cents as at 31 December 2012 to approximately 9.16 US$ cents after taking into account the Target Group's audited NTA of approximately S$1.6 million as at 31 March 2013 (and not taking into account any proposed revaluation gain of approximately RM145 million) as well as the effect on NTA arising from the issuance of 26,000,000 Consideration Shares pursuant to the Proposed Acquisition. Notwithstanding the lower EPS, the Directors believe that the Proposed Acquisition represents a major strategic advancement of the Group's business and in the interest of and beneficial to the Group.*

(g) The risk factors in connection with the Proposed Acquisition as set out in Section 2.6 of the Circular.

(h) No profit warranty has been provided by any party with respect to the future performance of the Target Group in connection with the Proposed Acquisition. There can be no assurance that the Target Group will be profitable in the long-term.

(i) As at the Latest Practicable Date, the Directors have confirmed that they are not aware of any firm/formal offer for alternative investment/business expansion or acquisition opportunity available to the Company, which is comparable in nature, size and scope to the Proposed Acquisition. The confirmation from the Directors that inter alia, the condition pertaining to the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession will not be waived, the Interim Cash Consideration and Consideration Shares will not be paid or issued (as the case may be) in the event that the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession is not obtained and the Final Cash Consideration will not be paid in the event that the final EIA Approval is not obtained. Furthermore, the Directors have confirmed that they are satisfied and confident that, in the event that the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession is obtained, the final EIA Approval will be forthcoming.

(j) Undertakings provided by Halcyon Agri Resources, Credence, Nut Hill Investments Ltd., Andrew Trevatt, Leonard Peter Silvio Beschizza, Robert Gunther Meyer and Pascal Guy Chung Wei Demierre (being shareholders who are collectively interested in shares representing approximately 58.17% of the Share capital as at the Latest Practicable Date), to vote in favour of the Resolution 1 relating to the Proposed Acquisition. Independent Shareholders should note that the resolution relating to the Proposed Acquisition is an ordinary resolution (which requires a simple majority). Pursuant to the undertaking as stated in Section 11.1 of the Circular, the resolution relating to the Proposed Acquisition will be passed.

(k) Other relevant consideration as set out in Section 5 of this Letter.

In summary, having regard to our analysis and the consideration in this Letter and subject to the qualifications and assumptions set out in this Letter including but not limited to the uncertainties, the Target Group's relatively short operating history and the losses incurred by the Target Group in TFY2013, the Market Value as ascribed by the Independent Valuer for the Concession of approximately RM145 million (which is slightly higher than the Purchase Consideration), the discount of the Purchase Consideration from the Target Group's Revalued NTA or Revalued NAV of approximately 4.0%, the valuation for Selected Target's Comparable Companies at an average premium of approximately 120.4% above their respective NTA as compared to the lower P/NAV and P/NTA ratios for the Target Group (as implied by the Purchase Consideration, the Revalued NAV and the Revalued NTA), the comparable valuation with the Selected IPT Acquisitions (on the basis of Purchase Consideration to NTA), the Issue Price and the Placement Price being similar, as well as the favourable valuation of the Group as compared to Selected Comparable Companies as implied by the Issue Price (in terms of EV/EBITDA, P/NAV, and P/NTA which is higher than the simple average and median for the Selected Comparable Companies and after taking into account the relatively lower valuation in terms of PER and the Group's better financial performance as compared to the Selected Comparable Companies), we are of the opinion that, based on the information available to us as at the Latest Practicable Date and on the assumption that the Environmental Impact Assessment Approval Letter will be issued and obtained and the Directors' confirmation on the matter, the terms of the Proposed Acquisition is on ***normal commercial terms*** *in terms of comparisons with the Market Value as ascribed by the Independent Valuer and comparison with the Selected IPT Acquisitions.*

Lastly, having regard to the potential financial effect of the Proposed Acquisition (excluding the financial effects of the General Mandate Placement and the Proposed Credence Placement) which whilst showing deterioration in EPS, will lead to higher NTA per Share, which we have reviewed together the representation and confirmation from the Directors that the Proposed Acquisition is in the interest and beneficial to the Group as it, inter alia, represents a major strategic advancement of the Group's business and is complementary to it's expansion into Malaysia, as well as the minimum dilution impact on existing public Shareholders pursuant to the Proposed Acquisition, we are of the view that based on the information available to us as at the Latest Practicable Date and on the assumption that the Environmental Impact Assessment Approval Letter will be issued and based on the Directors' confirmation on the matter, the terms for the Proposed Acquisition is ***not prejudicial*** *to the interest of the Independent Shareholders and the Company in terms of comparisons with the Market Value as ascribed by the Independent Valuer and the Directors' view as at the Latest Practicable Date that the Proposed Acquisition is in the interest and beneficial to the Group.*

Recommendation

Accordingly, we advise the Non-Interested Directors and the Audit Committee to recommend that Independent Shareholders vote ***in favour of*** *the Proposed Acquisition to be proposed at the EGM, and to highlight to Independent Shareholders the matters as stated in our Letter and to exercise caution in their decision in relation to the resolutions for the Proposed Acquisition.*

In performing our evaluation, we have not been provided with, and have not had access to, any financial projections or future plans or corporate actions (if any) of the Target Group, the Company, the Group and the Enlarged Group. The opinion set forth herein is based solely on publicly available information and information provided by the Directors and the Management and therefore does not reflect any projections or future financial performance of the Target Group or the Company or the Group after the completion of the Proposed Acquisition and is based on the assumption that the Environmental Impact Assessment Approval Letter will be issued and obtained and the Directors' confirmation on the matter as well as the economic and market conditions prevailing as of the date of this opinion. Our advice is solely confined to our views on the terms for the Proposed Acquisition as Interested Person Transaction.

Matters to highlight

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

(1) We have not made any independent evaluation of the Target Group (including without limitation, market value or economic potential) or appraisal of the Target Group's assets and liabilities (including without limitation, property, plant and equipment) or contracts entered into by the Target Group or the Group and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into by the Target Company or the Group save for the Valuation Certificate issued by the Independent Valuer in respect of the valuation of the Concession. With respect to such valuation, we are not experts in the evaluation (including without limitation, market value or economic potential) or appraisal of assets and liabilities (including without limitation, property, plant and equipment) including, inter alia the contracts or agreements that the Target Group or the Group has embarked upon or are about to embark upon and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.

(2) The Target Group has relatively short operating history. In arriving at our opinion, we wish to emphasize that the Directors have not provided us with any profit projections and we have, inter alia, relied on relevant statements contained in the Circular and/or the Company's announcements in relation to the Proposed Acquisition. In addition, Non-Interested Directors and Audit Committee should note that we have arrived at these conclusions based on information made available to us as at the Latest Practicable Date and the assumption that the Environmental Impact Assessment Approval Letter will be obtained. We assume no responsibility to update, review or reaffirm our opinions in the light of any subsequent development after the Latest Practicable Date.

We would like to highlight that we do not express any opinion on the commercial merits of the Proposed Acquisition, which remains the sole responsibility of the Directors of the Company. It is also not in our terms of reference to provide an opinion if there are other means through which the Group could carry out the Proposed Acquisition.

(3) As mentioned in Section 2.6 of the Circular, for successful implementation of its upstream expansion strategies, the Group will need to make significant initial investment in infrastructure and resources which may not result in the increase in volumes or margins that the Group has anticipated. The Group may be required to divert resources to resolve unexpected problems arising from such expansion plans. The Group may also not be able to generate return on its initial investments in the short term. In such circumstances, the Group's operating results and financial position may be adversely affected.

(4) We note that no profit warranty has been provided by any party with respect to the future performance of the Target Group in connection with the Proposed Acquisition. There can be no assurance that the Target Group will be profitable in the near future or in the long-term.

(5) We note from the Circular that Halcyon Agri Resources, Credence, Nut Hill Investments Ltd., Andrew Trevatt, Leonard Peter Silvio Beschizza, Robert Gunther Meyer and Pascal Guy Chung Wei Demierre being shareholders collectively interested in shares representing approximately 58.17% of the Share capital of the Company as at the Latest Practicable Date, have each undertaken to the Company to vote in favour of the Resolution 1 relating to the Proposed Acquisition.

Independent Shareholders should note that the resolution relating to the Proposed Acquisition is an ordinary resolution (which requires a simple majority). Pursuant to the undertaking as stated in Section 11.1 of the Circular, the Resolution relating to the Proposed Acquisition will be passed.

(6) We note from Section 2.4.5 of the Circular that the Vendors shall procure and ensure the issuance of the Environmental Impact Assessment Approval Letter or its equivalent in respect of the Concession by the Department of Environment, Kelantan or such appropriate Malaysian governmental body to the Target Group, by the Long-Stop Date. The Company shall make payment of the Final Cash Consideration to the Vendors on the seventh day after its issuance of notice to the Vendors notifying the receipt of the EIA Approval. It is further noted that in the event the EIA Approval is not granted to the Target Group by the Long-Stop Date, the Company has a right to waive the Vendors' obligation to procure the Environmental Impact Assessment Approval Letter and the Company shall be under no obligation to make payment of the Final Cash Consideration.

Based on the discussion with the Directors and the Management, we understand that the Environmental Impact Assessment Approval Letter is required in order for the Target Group to embark on the rubber plantation within the Concession. In the event that the Environmental Impact Assessment Approval Letter is not obtained, the Target Group will not be able to embark on the rubber plantation within the Concession. We wish to highlight that the Environmental Impact Assessment Approval Letter is a condition subsequent to the completion of the Proposed Acquisition and that upon completion of the Proposed Acquisition, the Company has the obligation to pay the Interim Cash Consideration and to issue the Consideration Shares.

The Directors have represented to us and confirmed the following:

(i) *The Directors confirmed that the Company will not waive the condition pertaining to the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession;*

(ii) *The Directors confirmed that the Company will not pay the Interim Cash Consideration and will not issue the Consideration Shares in the event that the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession is not obtained;*

(iii) *The Directors are satisfied and confident that, in the event that the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession is obtained, that the Environmental Impact Assessment Approval Letter will be forthcoming; and*

(iv) *The Directors confirmed that the Company will not make payment of the Final Cash Consideration in the event that the Environmental Impact Assessment Approval Letter is not obtained.*

Specific Objectives

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular or individual needs and constraints of any individual Independent Shareholder. As each Independent Shareholder or group of Independent Shareholders would have different investment objectives and profiles, we would advise the Non-Interested Directors and the Audit Committee to advise any individual Shareholder or group of Shareholders who may require specific advice in the context of investments in unlisted shares or his or their specific investment objectives or portfolio should consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately."

A copy of the IFA Letter is reproduced in **Appendix A** of this Circular. Shareholders are advised to read the IFA Letter in its entirety.

7. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee, having considered, *inter alia*, the terms and conditions of the Proposed Acquisition as well as the advice of the IFA as set out in the IFA Letter, is of the view that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

8. DIRECTORS' RECOMMENDATIONS

None of the Directors is deemed to be interested for the purposes of making a recommendation to the Shareholders in respect of the Proposed Acquisition and the Proposed Credence Placement.

8.1 The Proposed Acquisition

The Directors, having considered, *inter alia*, the terms and conditions of the Proposed Acquisition as well as the advice of the IFA as set out in the IFA Letter, and having regard to the rationale for the Proposed Acquisition, is of the view that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 1 relating to the Proposed Acquisition, as set out in the Notice of EGM dated 27 November 2013.

8.2 The Proposed Credence Placement

The Directors, having considered, *inter alia*, the terms and conditions of and the rationale for the Proposed Credence Placement, is of the view that the Proposed Credence Placement is not prejudicial to the interests of the Company.

Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 2 relating to the Proposed Credence Placement, as set out in the Notice of EGM dated 27 November 2013.

9. EXTRAORDINARY GENERAL MEETING

The EGM will be held at RELC International Hotel, 30 Orange Grove Road (Off Orchard Road), Singapore 258352 on 12 December 2013 at 10.00 a.m. for the purpose of considering, and if thought fit, passing with or without any modification(s), the resolutions as set out in the Notice of EGM.

10. ACTIONS TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's Registered Office at 250 North Bridge Road, #12-01 Raffles City Tower, Singapore 179101, not later than Tuesday, 10 December 2013 at 10.00 a.m., being 48 hours before the time fixed for the holding of EGM. Completion and return of the Proxy Form by a Shareholder will not preclude him from attending and voting at the EGM if he subsequently wishes to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

A depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP as at 48 hours before the EGM.

11. UNDERTAKINGS BY SHAREHOLDERS

11.1 Resolution 1: The Proposed Acquisition

Halcyon Agri Resources, Credence, Nut Hill Investments Ltd., Andrew Trevatt, Leonard Peter Silvio Beschizza, Robert Gunther Meyer and Pascal Guy Chung Wei Demierre being shareholders collectively interested in shares representing 58.17% of the share capital of the Company as at the Latest Practicable Date, have each undertaken to the Company to vote in favour of the Resolution 1 relating to the Proposed Acquisition.

11.2 Resolution 2: The Proposed Credence Placement

Halcyon Agri Resources, Dato' Le Mercier, Nut Hill Investments Ltd., Andrew Trevatt, Leonard Peter Silvio Beschizza, Robert Gunther Meyer and Pascal Guy Chung Wei Demierre being shareholders collectively interested in shares representing 62.72% of the share capital of the Company as at the Latest Practicable Date, have each undertaken to the Company to vote in favour of the Resolution 2 relating to the Proposed Credence Placement.

12. ABSTENTATIONS FROM VOTING

12.1 Resolution 1: The Proposed Acquisition

Rule 919 of the Catalist Rules provides that interested persons and their Associates must not vote on any shareholders' resolutions, nor accept appointments as proxies unless specific instructions as to voting are given, in respect of any resolutions approving interested person transactions involving themselves.

Pursuant thereto, Dato' Le Mercier will abstain from voting, and undertakes to ensure that her Associates will abstain from voting on the Resolution 1 relating to the Proposed Acquisition. Further, Dato' Le Mercier undertakes to decline to accept any appointment as proxy to vote and attend at the forthcoming EGM in respect of Resolution 1 unless the Shareholder concerned have given specific instructions as to the manner in which his votes are to be cast.

12.2 Resolution 2: The Proposed Credence Placement

Rule 812(2) of the Catalist Rules provides that persons falling under Rule 812(1) of the Catalist Rules and their Associates must abstain from voting on any shareholders' resolutions approving the placement to themselves.

Pursuant thereto, Credence will abstain from voting, and undertakes to ensure that its Associates will abstain from voting on the Resolution 2 relating to the Proposed Credence Placement. Further, Credence undertakes to decline to accept any appointment as proxy to vote and attend at the forthcoming EGM in respect of the Resolution 2 unless the Shareholder concerned have given specific instructions as to the manner in which his votes are to be cast.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company, and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

14. CONSENTS

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

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its Valuation Certificate and all references thereto, in the form and context in which they appear in this Circular, and to act in such capacity in relation to this Circular and the availability of the corresponding valuation report as document for inspection.

15. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 250 North Bridge Road, #12-01 Raffles City Tower, Singapore 179101, during office hours from the date of this Circular up to and including the date of the EGM:

(a) the memorandum and articles of association of the Company;

(b) the annual report of the Company for FY2012;

(c) the IFA Letter;

(d) the Valuation Certificate and valuation report by the Independent Valuer;

(e) the CSPA;

(f) the Credence Placement Agreement;

(g) the letter of consent from the IFA;

(h) the letter of consent from the Independent Valuer;

(i) the letters of undertaking from Halcyon Agri Resources, Credence, Nut Hill Investments Ltd., Andrew Trevatt, Leonard Peter Silvio Beschizza, Robert Gunther Meyer and Pascal Guy Chung Wei to vote in favour of Resolution 1 relating to the Proposed Acquisition; and

(j) the letters of undertaking from Halcyon Agri Resources, Dato' Le Mercier, Nut Hill Investments Ltd., Andrew Trevatt, Leonard Peter Silvio Beschizza, Robert Gunther Meyer and Pascal Guy Chung Wei Demierre to vote in favour of Resolution 2 relating to the Proposed Credence Placement.

Yours faithfully
For and on behalf of the Board of Directors
HALCYON AGRI CORPORATION LIMITED

Robert Gunther Meyer
Executive Chairman and Chief Executive Officer

LETTER FROM INDEPENDENT FINANCIAL ADVISER

LETTER FROM ASIAN CORPORATE ADVISORS PTE. LTD. TO THE NON-INTERESTED DIRECTORS AND AUDIT COMMITTEE OF HALCYON AGRI CORPORATION LIMITED

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

112 Robinson Road #03-02
Singapore 068902

The Non-Interested Directors and The Audit Committee
Halcyon Agri Corporation Limited
250 North Bridge Road
#12-01 Raffles City Tower
Singapore 179101

27 November 2013

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF JFL AGRO PTE. LTD. ("JFL" OR THE "TARGET COMPANY") UNDER CHAPTERS 9 AND 10 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("CATALIST RULES") AND THE PROPOSED ALLOTMENT AND ISSUANCE OF 26,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY ("CONSIDERATION SHARES") AS PART OF THE PURCHASE CONSIDERATION

1. INTRODUCTION

On 9 September 2013 (the "**Term Sheet Announcement Date**"), the board of directors ("**Board**") of Halcyon Agri Corporation Limited (the "**Company**") announced that it had, on the same date, entered into a term sheet (the "**Term Sheet**") with Forlenza Investments Limited ("**FIL**"), Jewel Castle Limited ("**JCL**") and Laveyne Limited ("**LL**") (collectively the "**Vendors**") for the acquisition (the "**Proposed Acquisition**") of the entire issued and paid-up share capital of the Target Company (the "**Sale Shares**"), including its wholly owned subsidiaries, JFL Holdings Sdn. Bhd., JFL Agro Sdn. Bhd. and JFL Rubber Sdn. Bhd. (together with the Target, the "**Target Group**").

On 6 November 2013 (the "**CSPA Announcement Date**"), the Company announced that, *inter alia*, it had on the same date, entered into a conditional share sale and purchase agreement dated 6 November 2013 (the "**CSPA**") with the Vendors for the acquisition of the Sale Shares, representing the entire issued and paid up capital of the Target Company. The Proposed Acquisition involves the acquisition of the Sale Shares, free from all encumbrances and together with all rights and benefits attaching thereto at the aggregate purchase consideration ("**Purchase Consideration**") of RM143,224,750 (equivalent to approximately S$55,972,232 based on the exchange rate of RM1.00 to S$0.3908 as at 19 November 2013 (the "**Latest Practicable Date**")).

It is noted from the circular dated 27 November 2013 ("**Circular**") issued by the Company to the registered holders ("**Shareholders**") of the ordinary shares ("**Shares**") in the capital of the Company that as at the Latest Practicable Date, Dato' Lynette Le Mercier ("**Dato' Le Mercier**"), the beneficial owner of LL, one of the Vendors, holds an aggregate interest in 55,000,000 Shares which is equivalent to approximately 16.67% of the total number of issued Shares. Dato' Le Mercier and her associates are "interested persons" within the meaning of Chapter 9 of the Catalist Rules.

Accordingly, the Proposed Acquisition is deemed as an interested person transaction pursuant to Chapter 9 of the Catalist Rules ("**Interested Person Transaction**" or "**IPT**"). In addition, the Proposed Acquisition involves the issuance of 26,000,000 Consideration Shares at an issue price (the "**Issue Price**") of S$0.72 per Consideration Share as part of the Purchase Consideration, of which 6,500,000 Consideration Shares are to be issued to Dato' Le Mercier.

Asian Corporate Advisors Pte. Ltd. ("**ACA**") has been appointed as an independent financial adviser ("**IFA**") to provide an opinion on whether the Proposed Acquisition as an Interested Person Transaction is on normal commercial terms and whether it would be prejudicial to the interests of the Company and its minority Shareholders. This letter ("**IFA Letter**" or "**Letter**") has been prepared for the use by the audit committee of the Company ("**Audit Committee**") and the directors of the Company ("**Directors**") as at the date of this Letter who are deemed to be independent (the "**Non-Interested Directors**") for the purposes of making a recommendation to Shareholders in respect of the Proposed Acquisition, being Messrs Robert Gunther Meyer, Pascal Guy Chung Wei Demierre, Alan Rupert Nisbet, Randolph Khoo Boo Teck and Jason Lewis Barakat-Brown.

This Letter sets out, *inter alia*, our views and evaluation of the Proposed Acquisition as an Interested Person Transaction proposed as an ordinary resolution in the notice of the extraordinary general meeting ("**EGM**") of the Company as set out in the Circular, which is subject to the approval by the Shareholders other than the interested parties and their associates ("**Independent Shareholders**"). It forms part of the Circular providing, *inter alia*, the details of the Proposed Acquisition. Unless otherwise defined or where the context otherwise requires, the definition used in the Circular shall apply throughout this Letter. Certain of the figures and computations as enumerated or set out in this letter are based on approximations and its accuracy is subject to rounding.

2. TERMS OF REFERENCE

ACA has been appointed by the Company to advise the Audit Committee and the Non-Interested Directors with respect to the Proposed Acquisition, being an Interested Person Transaction under Chapter 9 of the Catalist Rules. We were neither a party to the negotiations entered into by the Company in relation to the Proposed Acquisition as an Interested Person Transaction, nor were we involved in the deliberation leading up to the decision on the part of the Directors to enter into the Proposed Acquisition, and we do not, by this Letter or otherwise, advise or form any judgment on the merits of the transactions contemplated in the Circular (the "**Proposed Transactions**") for the Company and its subsidiaries (the "**Group**") or the possibilities or feasibilities of the completion of the Proposed Acquisition or the timing on when the Proposed Acquisition can be completed or the possibilities or feasibilities that the Environmental Impact Assessment Approval Letter relating to the Concession (defined later) can be obtained or whether there are alternative transactions available other than to form an opinion, strictly and solely on the bases set out herein on whether the terms of the Proposed Acquisition as an Interested Person Transaction (pursuant to Chapter 9 of the Catalist Rules) are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

We have confined our evaluation strictly and solely on the financial terms for the Proposed Acquisition as an Interested Person Transaction and have not taken into account the commercial/financial risks and/or merits (if any) of or the timing for the transactions contemplated in the Circular including the structuring or inter-conditionality (if applicable) of the Proposed Acquisition as an Interested Person Transaction or the validity of any resolution, or the future financial performance or position of the Company, the Group, the Target Company and the Target Group subsequent to the Proposed Acquisition as an Interested Person Transaction (the "**Enlarged Group**") or the possibility or probability that the Group can improve their profitability or that the anticipated benefits from the Proposed Acquisition can be realised (as the case may be). Such evaluation or comment remains the responsibility of the Directors and the management ("**Management**") of the Company 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 view as set out in this Letter.

In the course of our evaluation, we have held discussions with certain Directors and the Management on, *inter alia*, regarding their assessment of the rationale for the Proposed Acquisition and have examined publicly available information collated by us including the audited financial statements as well as information including material information or developments pertaining to the Company, the Group, and the Target Group where applicable (both written and verbal), provided to us by the Directors and Management and professional advisers of the Company, including its consultants or advisers or solicitors or auditors. We have not independently verified such information but have made such enquiries and used our judgement as we deemed necessary on such information and have found no reason to doubt the accuracy or reliability of the information. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for, the accuracy or completeness or adequacy of such information or the manner it has been classified or presented or the basis of any valuations.

We have relied upon the assurance of the Directors and Management that all statements of fact, belief, opinion and intention made by the Directors and the Management in the Circular as well as their announcements for the financial results have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty, expressed and implied, is made and no responsibility is accepted by us concerning the accuracy or completeness or adequacy of such information or statements of facts or belief or opinion or intention.

Our evaluation is based solely on publicly available information and other information provided by the Company as well as the economic and market conditions prevailing as at the Latest Practicable Date, and therefore does not reflect expected financial performance after the financial statements for the nine-months period ended 30 September 2013 ("**9M2013**") for the Group and the financial year ended 31 March 2013 ("**TFY2013**") for the Target Group. The scope of our appointment does not require us to express, and we do not express and have not commented on or assessed the expected future performance or prospects of the Company or the Group or the Target Company or the Target Group or the Enlarged Group after the completion of the transactions stipulated in the Circular. Accordingly, our evaluation and opinion and recommendation do not and cannot take into account future or prospective performance of the Company or the Group or the Target Company or the Target Group or the Enlarged Group and neither are we responsible for it. We are therefore not expressing any view herein as to the prices at which the Shares may trade upon completion or rejection of the Proposed Acquisition or the other transactions or resolutions stipulated in the Circular (if any) or voting for or voting against the Proposed Acquisition or the other transactions or resolutions stipulated in the Circular (if any) or on the future financial performance of the Company or the Group or the Target Company or the plans (if any) for each of them. Estimates or analysis or evaluation of the merits of the Company or the Group or the Target Company or the Target Group or the Proposed Acquisition as an Interested Person Transaction, if any, in this Letter are necessarily limited and we do not warrant or represent that it is complete or in entirety.

Our opinion in this Letter is based on economic, market, industry, monetary and other conditions (if applicable) in effect on, and the information provided to us, as of the Latest Practicable Date. Accordingly, the bases or assumptions and likewise our views or opinion or recommendation may and do change in the light of these developments which, *inter alia*, include general as well as company specific or industry specific conditions or sentiments or factors. Non-Interested Directors (as well as Independent Shareholders who would be receiving the Circular and this Letter enclosed with the Circular) should note that our evaluation is based solely on publicly available and other information provided by the Company and the Directors as well as those disclosed in the Circular, the economic and market conditions prevailing as at the Latest Practicable Date, and therefore does not reflect expected financial performance after the relevant financial period or financial year end for the Company or the Group or the Target Company or the Target Group or developments both macro and company specific and that these factors do and will necessarily affect the evaluation of the Proposed Acquisition as an Interested Person Transaction and our recommendation or opinion or views. Likewise, this Letter outlines some of the matters or bases or factors or assumptions which we have used in our assessment and is a summary. They are by no means exhaustive or a reproduction of all the matters or bases or factors or assumptions etc. which we have used in our assessment. The Directors have jointly and severally accepted full responsibility, as set out in the Circular, for the truth, accuracy and completeness of the information and representations as provided and contained therein. The Directors have, to their best knowledge, confirmed to ACA that all material information including but not limited to plans or prospects or proposals or rationale involving the Company or the Group or the Target Company or the Target Group or the Proposed Acquisition stipulated in the Circular or issue or changes to its capital structure, available to them and the Management in connection with the Proposed Acquisition has been disclosed to ACA and included in the Circular, that such information is true, complete and accurate in all material respects and that there is no other information or fact including the expected future performance or future growth prospects or plans of the Company or the Group, the omission of which would result in the facts stated and the opinions expressed by the Directors in the Circular to be untrue, inaccurate or incomplete in any respect or misleading. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by ACA concerning the truth, accuracy, completeness or adequacy of such information or facts.

Our scope does not require us and we have not made any independent evaluation of the Target Group (including without limitation, market value or economic potential) or appraisal of the Target Group's assets and liabilities (including without limitation, property, plant and equipment) or contracts entered into by the Target Group or the Group and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into by the Target Group or the Group save for the valuation certificate dated 21 November 2013 (the "**Valuation Certificate**") issued by C H Williams Talhar & Wong Sdn Bhd (the "**Independent Valuer**") in respect of the market valuation of the Sultanate lands in relation to approximately 24,327.3 acres of land in Kelantan Malaysia, consisting of approximately 17,652.8 acres of Cultivable Land and 6,674.5 acres of Non-Cultivable Land (the "**Concession**"). With respect to such valuation, we are not experts in the evaluation (including without limitation, market value or economic potential) or appraisal of assets and liabilities (including without limitation, property, plant and equipment) including, *inter alia* the contracts or agreements that the Target Group or the Group has embarked upon or are about to embark upon and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.

The Directors are of the opinion that the values of the assets and liabilities as well as the financial performance or condition of the Group and the Target Group as reflected in the unaudited and audited financial statements for the Group and the Target Group as at 30 September 2013 and 31 March 2013 respectively are true and fair. The Directors have also confirmed that to the best of its knowledge, nothing has come to their attention which may render the unaudited and audited financial statements for 9M2013 and TFY 2013 to be false or misleading in any material aspect. In addition, the Directors confirmed that to the best of their knowledge and belief, such information is true, complete and accurate in all respects and that there is no other information or fact *inter-alia* the valuation or appraisal of assets and liabilities including, *inter alia* the contracts or agreements that the Group has embarked upon or are about to embark upon, the omission of which would render those statements or information to be untrue, inaccurate, incomplete or misleading. Our views, opinion and recommendations are thus limited and subject to these matters as well as others mentioned in the Letter.

The Directors further confirmed that as at the Latest Practicable Date and save for matters disclosed in this Letter and the unaudited and audited financial statements for the Group and the Target Group for 9M2013 and TFY2013 respectively, there has been no material changes to the Group's and the Target Group's assets and liabilities, financial position, condition and performance.

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

Accordingly, any factor or assumption or basis as well as the relative emphasis on any matter set out in this Letter or the Proposed Acquisition as an Interested Person Transaction, or the Company or the Group or the Target Company or the Target Group or the Shares which we used or may have used may differ from the relative emphasis accorded by any individual Independent Shareholder or Non-Interested Directors and the Audit Committee, and as such the Non-Interested Directors and the Audit Committee are advised to highlight to Independent Shareholders as well as note for themselves that any reliance on our opinion or view or assessment, is subject to the contents of this Letter in its entirety. In addition, ACA will not be responsible or required to provide an updated assessment or opinion or views of the Proposed Acquisition as an Interested Person Transaction or its recommendation, following the date of the issue of this Letter.

Accordingly, our Letter or opinion or views or recommendation should not be used or relied by anyone for any other purposes and should only be used by the Non-Interested Directors and the Audit Committee, subject to our terms of reference and the contents of this Letter as one of the basis for their opinion or views or recommendation. In addition, any references to our Letter or opinion or views or recommendation, should not be made except with our prior consent in writing and even if made with our prior consent in writing, shall be subject to the contents of this Letter in its entirety *inter alia* the matters, conditions, assumptions, limitations, factors and bases as well as our terms of reference for this Letter.

3. THE PROPOSED ACQUISITION

The terms of the Proposed Acquisition are set out in Section 2 entitled "The Details of the Proposed Acquisition" of the Circular. A summary of the salient terms of the Proposed Acquisition is presented in this Letter. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning therein.

3.1 The CSPA and the Purchase Consideration

Pursuant to the CSPA, the Company will acquire the Sale Shares from the Vendors, free from all encumbrances and together with all rights and benefits attaching thereto at the aggregate Purchase Consideration of RM143,224,750 (equivalent to approximately S$55,972,232 based on the exchange rate of RM1.00 to S$0.3908 as at 19 November 2013), which comprise:

(a) the Cash Consideration which will be funded through a combination of internal resources, bank borrowings and/or additional equity fund raising exercise(s), including proceeds from the Placement; and

(b) the allotment and issuance of 26,000,000 Consideration Shares based on the Issue Price of S$0.72 per Consideration Share to the Vendors as set out below:

Name of Vendor	Interest in Target Company	Number of Consideration Shares
FIL	51.0%	13,000,000
JCL	24.5%	6,500,000
LL	24.5%	6,500,000

The Issue Price per Consideration Share represents a discount of approximately 4.0% to the weighted average price of S$0.7501 for each Share, based on trades done on Catalist of the SGX-ST on 1 November 2013 (being the last full market day prior to which the CSPA was signed). The Consideration Shares, when issued and fully-paid, shall rank pari passu in all respects with the existing ordinary shares of the Company save that they will not rank for any dividend, rights, allotments or other distributions, the record date of which falls on or before the date of completion of the allotment and issue of the Consideration Shares.

The Consideration Shares represent:

(a) 7.88% of the issued and paid-up Share capital of 330,000,000 as at the Latest Practicable Date;

(b) 7.27% of the issued and paid-up Share capital of 357,500,000 upon the completion of the allotment and issuance of the General Mandate Placement Shares (defined later);

(c) 6.78% of the issued and paid-up Share capital of 383,500,000 upon the completion of the allotment and issuance of the General Mandate Placement Shares and the Consideration Shares; and

(d) 6.57% of the issued and paid-up Share capital of 396,000,000 upon the completion of the allotment and issuance of the General Mandate Placement Shares, the Consideration Shares and the Credence Placement Shares (defined later).

The Purchase Consideration was arrived at on a willing-buyer and willing-seller basis after taking into account the intrinsic value of the cultivable land of the Target Group's Concession and the potential synergistic benefits to the Group arising from the Proposed Acquisition.

The Purchase Consideration is to be satisfied in two tranches in the following manner, subject to the provision of the CSPA:

(a) upon the fulfilment and satisfaction (or waiver by the Company) of the conditions precedent (the "**Completion Date**"):

    (i) by the issue of 26,000,000 Consideration Shares to the Vendors (or such nominee(s) as each Vendor may notify the Company in writing); and

    (ii) by a cash payment to be calculated according to the following formula ("**Interim Cash Consideration**"):

    Interim Cash Consideration = (Purchase Consideration / 2) – Value of Consideration Shares which is equivalent to S$18,720,000

(b) upon fulfilment and satisfaction (or waiver by the Company) of the conditions subsequent to the Proposed Acquisition outlined in Section 2.4.5 of the Circular (the "**Final Payment Date**"):

    (i) by a cash payment to be calculated according to the following formula ("**Final Cash Consideration**"):

    Final Cash Consideration = Purchase Consideration – Interim Cash Consideration – Value of Consideration Shares which is equivalent to S$18,720,000

3.2 The Target Company's Assets

The assets and properties of the Target Company include the following (the "**Key Assets**"):

(a) the wholly-owned Malaysian subsidiary, JFL Holdings Sdn. Bhd., whose assets include:

    (i) the Lease in relation to the Concession, and

    (ii) cash of approximately RM6,000 (subject to deductions for any operational expenses of JFL Holdings Sdn. Bhd. and/or JFL Agro Sdn. Bhd. up to the date of completion).

(b) the wholly-owned Malaysian subsidiary, JFL Agro Sdn. Bhd., whose assets include:

(i) cash of approximately RM10,000 (subject to deductions for operational expenses of JFL Agro Sdn. Bhd. and/or JFL Holdings Sdn. Bhd. up to the date of completion);

(ii) palm tree seedlings of an estimated value of RM200,000;

(iii) planted palm trees covering an area of approximately 300 hectares of the Cultivable Land (to be completed by 31 December 2013); and

(iv) property, plant, vehicles, equipment, and machinery of an estimated value of RM1,814,000 (subject to depreciation).

(c) the wholly-owned Malaysian subsidiary, JFL Rubber Sdn. Bhd., whose assets include cash of approximately RM30,000.

3.3 Conditions Precedent and Conditions Subsequent of the Proposed Acquisition

The Proposed Acquisition is conditional upon, inter alia, the fulfillment and satisfaction (or waiver by the Company) of certain conditions precedent and conditions subsequent set out in the Circular in Section 2.4.4 entitled "Conditions Precedent to the Proposed Acquisition" and Section 2.4.5 entitled "Conditions Subsequent to the Proposed Acquisition".

3.4 Completion

Subject to the satisfaction (or waiver) of the Conditions Precedent, completion of the Proposed Acquisition shall take place on or before 31 December 2013 (or such later date as the Company and Vendors may agree in writing).

3.5 The Proposed Acquisition as an Interested Person Transaction

We note from Section 2.8 of the Circular, the Company is an entity at risk within the meaning of Chapter 9 of the Catalist Rules in relation to the Proposed Acquisition. Dato' Le Mercier, a controlling Shareholder, has an indirect interest representing 24.5% of the total issued and paid-up Share capital of the Target Company as she is the ultimate beneficial owner of LL, one of the Vendors. As such, Dato' Le Mercier and her Associate, LL, are interested persons falling within the meaning of Chapter 9 of the Catalist Rules.

As stated in Section 2.8 of the Circular, the value of the IPT is approximately S$13.75 million, and based on the Group NTA of US$16.27 million as at 31 December 2012 (equivalent to approximately S$20.20 million), the value of the IPT is approximately 68% of the Group NTA. Accordingly, for the purpose of Chapter 9 of the Catalist Rules, the Proposed Acquisition is subject to the approval of Independent Shareholders and an independent financial adviser is required to be appointed to advise the Non-Interested Directors on whether the transaction is carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders and to include the opinion in the circular seeking Shareholders' approval.

Save for the above, the Group has not entered into any other transaction with Dato' Le Mercier since the beginning of this financial year ending 31 December 2013. The total value of all IPTs entered into by the Group with all Interested Persons since the beginning of this financial year ending 31 December 2013 up to 30 September 2013 amounts to S$360,000.

4. EVALUATION OF THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

For the purposes of evaluating the financial terms of the Proposed Acquisition as an Interested Person Transaction, we have taken into account the following pertinent factors as well as others as set out in this Letter, which we consider as having a significant bearing on our assessment:

(i) Financial performance and position of the Group and the Target Group;

(ii) Net assets value ("**NAV**") and net tangible assets ("**NTA**") of the Group and the Target Group;

(iii) Relative valuation analysis;

(iv) Comparable transactions;

(v) Market quotation and trading activities for the Shares;

(vi) Financial effects of the Proposed Acquisition; and

(vii) Other considerations which have significant bearing on our assessment.

These factors are discussed in greater detail in the ensuing sections.

In our assessment of the Purchase Consideration, the Issue Price and the Proposed Acquisition as an Interested Person Transaction, we have applied certain valuation ratios in assessing its reasonableness. A brief description of such valuation ratios are as follows:-

(i) **EV/EBITDA**

"**EV**" or "**Enterprise Value**" is defined as the sum of a company's market capitalisation, preferred equity, minority interests, short term and long term debts less its cash and cash equivalents. "**EBITDA**" stands for earnings before interest, tax, depreciation and amortisation but after share of associates' and joint ventures' income but excluding exceptional items.

The "**EV/EBITDA**" multiple is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance.

(ii) **Price-to-Earnings ("PER")**

The PER is a widely used earnings-based valuation methodology that illustrates the ratio of the current market price of a company's shares relative to its net earnings per share. Unlike the EV/EBITDA multiple, the PER is based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses. As such, the PER is affected by the capital structure of a company, tax position as well as its depreciation and goodwill policies.

(iii) **Price-to-NTA ("P/NTA")** The P/NTA ratio is the ratio of the relevant prices of the shares to the net tangible asset value of the relevant companies. It is an asset-based valuation methodology that illustrates the ratio of the current market valuation of a company relative to its asset backing as measured in terms of its NTA value. The NTA of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets, the proceeds of which are first used to repay the liabilities and obligations of that company with the balance available for distribution to its shareholders. The NTA-based approach is widely used for valuing the shares of property-based companies as their tangible asset backings are perceived as providing support for the value of their shares.

(iv) **Price-to-NAV ("P/NAV")** The P/NAV ratio is the ratio of the relevant prices of the shares to the net asset value of the relevant companies. It is an asset-based valuation methodology that illustrates the ratio of the current market valuation of a company relative to its tangible and intangible asset backing as measured in terms of its NAV value. The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its tangible and intangible assets, the proceeds of which are first used to repay the liabilities and obligations of that company with the balance available for distribution to its shareholders.

In assessing the financial terms of the Proposed Acquisition as an Interested Person Transaction, we have taken into account the following pertinent factors (as well as others in this Letter), which we consider will have a significant bearing on our assessment.

4.1 FINANCIAL PERFORMANCE AND POSITION OF THE GROUP AND THE TARGET GROUP

4.1.1 Financial performance and position of the Group

The following are extracts from the audited consolidated financial statements of the Group for FY2012, FY2011, the financial period commencing from 1 April 2010 to 31 December 2010 ("**FP2010**"), and the unaudited financial statements of the Group for 9M2013 and 9M2012.

Figures in US$m	Unaudited 9M2013	Unaudited 9M2012	Audited FY2012	Audited FY2011	Audited FP2010[(1)]
Revenue	151.4	177.6	222.0	231.4	11.0
Cost of sales	(135.5)	(161.9)	(202.0)	(221.3)	(9.7)
Gross Profit	16.0	15.7	20.0	10.0	1.3
Profit before tax	8.6	10.3	11.5	4.8	0.1
Profit after tax	7.7	9.2	10.1	4.4	0.1
Gross material profit	23.0	22.0	26.2	17.3	0.2
Sales volume (tonnes)	55,822	51,691	67,046	46,634	–

Notes:

(1) Group's operation started in April 2010 and as such, the Group's audited financial statements for FP2010 and all other relevant financial information pertaining to the Group are presented for the period starting from 1 April 2010 to 31 December 2010.

(2) Figures and computation presented in this section are subject to rounding.

The following tabulates the gross profit, profit before tax and after tax margins, and on a per tonne basis, the gross material profit, gross profit, profit before tax and after tax for the Group:-

	Unaudited 9M2013	Unaudited 9M2012	Audited FY2012	Audited FY2011	Audited FP2010
Gross profit margin	10.6%	8.8%	9.0%	4.3%	11.8%
Profit/(Loss) before tax margin	5.7%	5.8%	5.2%	2.1%	1.0%
Profit/(Loss) after tax margin	5.1%	5.2%	4.5%	1.9%	1.0%
Gross material profit per tonne (US$)	413	425	391	371	–
Gross profit per tonne (US$)	286	304	298	214	–
Profit before tax per tonne (US$)	154	199	171	102	–
Profit after tax per tonne (US$)	138	179	151	94	–

Note:

(1) Figures in the table above are based on the information provided by the Management and the Company's prospectus and results announcement during the period under review.

The table below is the extract of the Group's unaudited balance sheet for 9M2013 and audited balance sheet for FY2012, FY2011 and FP2010:-

Figures in US$m	Unaudited 9M2013	Audited FY2012	Audited FY2011	Audited FP2010(1)
Non-current assets	21.9	21.3	22.3	0.9
Current assets	70.6	40.8	34.8	25.7
Non-current liabilities	1.4	1.1	8.9	–
Current liabilities	33.9	34.7	31.2	19.3
Total equity	57.2	26.3	17.0	7.2
Total borrowings	29.7	28.1	30.8	7.6
Net working capital(3)	26.7	17.6	12.9	4.1

Notes:

(1) The Group's operations started in April 2010 and as such, the Group's FP2010 audited financial statements and all other relevant financial information pertaining to the Group are presented for the period starting from 1 April 2010 to 31 December 2010.

(2) Figures and computation presented in this section are subject to rounding.

(3) Working capital is computed by adding cash and cash balances (excluding cash reserved for strategic acquisitions purpose), trade receivables, inventories, less trade payables and working capital loans.

We note the following:-

(1) The Group's revenue is generally a function of the sales volume and the average selling prices. The Group's revenue, sales volume and average revenue per tonne is shown below:

	Unaudited 9M2013	Unaudited 9M2012	Audited FY2012	Audited FY2011	Audited FP2010(1)
Sales volume (tonne)	55,822	51,691	67,046	46,634	–
Revenue (US$m)	151.4	177.6	222.0	231.4	11.0
Average revenue per tonne (US$)	2,713	3,435	3,311	4,962	N.A

(2) The Group's gross profit is mainly driven by the gross material profit, which is computed as difference between the revenue and the cost of materials. The Group's gross material profit information is shown below:

	Unaudited 9M2013	**Unaudited 9M2012**	**Audited FY2012**	**Audited FY2011**	**Audited FP2010[1]**
Revenue (US$m)	151.4	177.6	220.6	227.2	11.0
Cost of raw materials (US$m)	(128.4)	(155.6)	(194.4)	(209.9)	10.8
Gross material profit (US$m)	23.0	22.0	26.2	17.3	0.2
Sales volume (tonnes)	55,822	51,691	67,046	46,634	–
Gross material profit (US$ per tonne)	413	425	391	371	–

Note:

(1) Figures in the table above are based on the information provided by the Managment and the Company's prospectus and results announcement during the period under review.

(3) Net profit after tax are derived from gross profit, after inclusion of other income, finance income and deducting selling expenses, administrative expenses, finance costs and income tax expenses. For the period under review, we note the net profit after tax increase substantially from FP2010 to FY2012. The increases were mainly attributable to the increase in the gross profit. For 9M2013, the net profit after tax declined by approximately US$1.6 million as compared to 9M2012.

(4) During FY2012, the Company underwent an initial public offering ("**IPO**") process to raise funds for expansion of businesses, and during the process, non-recurring expenses were incurred which are related to the IPO and business expansions. We note from the Company's full year result announcement for FY2012, that excluding the benefit of the one-off negative goodwill of US$2.1 million recognised in FY2011, adding back the one-off administrative expenses of US$0.7 million in FY2011 and US$0.8 million in FY2012, and adding back the non-recurring finance cost of US$0.2 million in FY2012, the Group's profit after taxation would have shown an increase of US$8.1 million or 270.0% from US$3.0 million in FY2011 to US$11.1 million in FY2012 (the "**Adjusted PAT FY2012**"). Based on the Adjusted PAT FY2012, the net profit margin would be approximately 5.0%;

(5) We note from the Company's 9M2013 result announcement dated 23 October 2013 that there is non-recurring expenses of US$0.5 million during third quarter in FY2013 ("**3Q2013**"), adding back the non-recurring expenses of approximately US$0.5 million, the 9M2013 profit after tax would have been approximately US$8.1 million (the "**Adjusted PAT 9M201**3"). Based on the Adjusted PAT 9M2013, the net profit margin would be approximately 5.4%;

(6) From the above tables, we note that for the financial periods under review, the Group has been profitable. In addition, we note that the Group managed to book higher gross profit margins, higher profit before tax margins and higher profit after tax margins in 9M2013 as compared to the profit margins booked in FY2011 and FY2012;

(7) The shareholders' equity of the Group has increased from approximately US$7.2 million as at 31 December 2010 to approximately US$57.1 million as at 30 September 2013 due to the increase in the accumulated profit as well as the increase in the share capital due to the fund raising exercises over the said period (including but not limited to the fundraising via IPO in February 2013, and the private placement in June 2013);

(8) Company's net working capital also improved over the financial period under review. There is an increase of US$9.1 million from 31 December 2012 to 9M2013; and

(9) The Group's total borrowings as at 30 September 2013 was approximately US$29.7 million, and equity attributable to the owners of the Company was approximately US$57.1 million. As such, the Company's total borrowing to shareholders' equity ratio is approximately 0.5 times.

4.1.2 Financial performance and position of the Target Group

Review of financial performance of the Target Group

The following are extracts from the audited consolidated financial statements of the Target Group for TFY2013 and the financial period starting from 28 June 2011 and ending on 31 March 2012 ("**TFP2012**").

Consolidated statement of income

Figures in S$'000	**Audited TFY2013**	**Audited TFP2012**
Revenue[(1)]	24.1	–
Other income	5.0	0.9
Operating expenses	(577.4)	(110.2)
Profit/(Loss) before tax	(548.3)	(109.3)
Profit/(Loss) after tax	(548.3)	(109.3)

***Notes**:*

(1) We understand that the Target Group has only commenced development of its assets in September 2012 and it has yet to generate any operating revenue during TFP2012 and TFY2013. The revenue of approximately S$24.1 thousand recorded in TFY2013 relates to license fee.

(2) Figures and computation presented in this section are subject to rounding.

TFY2013 vs. TFP2012

The Target Company was incorporated on 28 June 2011. We understand that the Target Group only commenced the development of its assets in September 2012 and it has yet to generate any operating revenue during TFP2012 and TFY2013. The revenue of approximately S$24.1 thousand recorded in TFY2013 relates to license fee, which is non-operating revenue. The Target Group booked interests income of approximately S$5.0 thousand and S$885 for TFY2013 and TFP2012 respectively.

The Target Group's loss after tax amounted to approximately S$109.3 thousand for TFP2012, which was mainly attributable to the expenses of approximately S$110.2 thousand. The expenses for TFP2012 mainly consist of employee benefits expenses of approximately S$37.7 thousand, professional and legal fees of approximately S$42.3 thousand, foreign exchange losses of approximately S$11.4 thousand, and other expenses of approximately S$9.9 thousand.

The Target Group recorded a significant increase in its total expenses from approximately S$110.2 thousand in TFP2012 to approximately S$577.4 thousand in TFY2013 mainly due to the fact that they have just commenced development of its assets during TFY2013. The Target Group reported a loss after tax of approximately S$548.3 thousand.

We note that the Target Group did not incur any income tax expenses during TFP2012 and TFY2013.

Review of the financial position of the Target Group

The table below is an extract from the Target Group's audited balance sheet as at 31 March 2013 and 31 March 2012.

Figures in S$'000	Audited TFY2013	Audited TFP2012
Non-current assets	447.3	46.3
Current assets	1,771.7	1,866.4
Non-current liabilities	41.8	–
Current liabilities	549.6	2,018.7
Total borrowings	52.3	–
Total equity	1,627.5	(106.0)
Net current assets	1,222.1	(152.3)

***Note**:*

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

TFY2013 vs. TFP2012

Assets

The Target Group's total assets increased by approximately 16.0% (or approximately S$306.2 thousand) from approximately S$1.9 million as at 31 March 2012 to approximately S$2.2 million as at 31 March 2013. The increase was mainly attributable to an increase of approximately S$373.7 thousand in property, plant and equipment, an increase of approximately S$151.1 thousand in trade and other receivables an increase of approximately S$27.2 thousand in biological assets (being the cost of setting up oil palm plantation) and this was partially offset by a decline of approximately S$245.8 thousand in cash and cash equivalents.

Liabilities

The Target Group's total liabilities decreased by approximately 70.7% or S$1.4 million from approximately S$2.0 million as at 31 March 2012 to approximately S$591.4 thousand as at 31 March 2013. The decrease was mainly due to lower other payables (declined from approximately S$2.0 million as at 31 March 2012 to approximately S$539.1 thousand as at 31 March 2013 attributed to the capitalization of the shareholders' loan), which was partially offset by finance lease liabilities of approximately S$52.3 thousand as at 31 March 2013 (TFP2012: nil).

It is noted from the Target Group's audited financial statements as at 31 March 2013 that the Target Group has an operating lease commitment arising from non-cancellable operating leases in respect of office premises and other operating facilities. The total amount of operating lease commitment is approximately S$9.3 million as at 31 March 2013.

The Target Group's net current assets amounted to approximately S$1.2 million as at 31 March 2013, as compared to a negative net current assets of approximately S$152.3 thousand as at 31 March 2012. The improvement in the net current asset position was mainly attributable to the decrease in other payables of approximately S$1.5 million, and offset by decrease in current assets of approximately S$94.8 thousand.

4.2 NAV AND NTA OF THE GROUP AND THE TARGET GROUP

The NAV and NTA based approach of valuing a company or group is based on the aggregate value of all the assets of the company in their existing condition, after deducting the sum of all liabilities of the company and minorities' interests (and intangible assets in the case of NTA). The NAV (or NTA) based approach is meaningful as it shows the extent to which the value of each share is backed by both tangible and intangible assets (or in the case of NTA tangible assets) and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets. The NAV and NTA based approach in valuing a company may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets (including for the case of NAV any intangible assets including but not limited to land use rights, goodwill, trademarks and brand names) over a reasonable period of time at the aggregate value of the assets used in the computation of the NAV or NTA, the proceeds of which are used to settle the liabilities, minority interest and obligation of the company or group with the balance to be distributed to its shareholders. However the NAV and NTA approach does not take into account the hypothetical sale of assets in a non-orderly manner or over a short period of time. It does not illustrate the values of which assets may actually be realized or disposed of. In addition, the NTA approach does not take into account or consideration the presence of any intangible assets including but not limited to land use rights, goodwill, trademarks and brand names.

The computations and analysis on NAV or NTA are meant as an illustration and it does not necessary mean or imply that the net realisable value of the Group or Target Group is as stated below. It also does not imply that the assets or properties of the Group or the Target Group can be disposed of at the estimated values indicated and that after payment of all liabilities and obligations, the values or amounts as indicated for the respective types of NAV or NTA is realisable or distributable to the shareholders of the Group or the Company.

In assessing the Proposed Acquisition and the Issue Price for the 26,000,000 Consideration Shares in relation to the NAV and NTA per Share of the Group as at 30 September 2013 (or the Target Group as at 31 March 2013), we have reviewed the unaudited balance sheet of the Group as at 30 September 2013 and the audited balance sheet of the Target Group as at 31 March 2013 (to determine whether there are any assets that are of an intangible nature and as such would not appear in a valuation based on the NTA approach, but would be included in the NAV approach. Save as disclosed in the unaudited and audited balance sheets of the Group and Target Group as at 30 September 2013 and 31 March 2013 or in the Circular, the Directors have confirmed, that as at the Latest Practicable Date, to the best of their knowledge and based on disclosures made available to them, there are no other intangible assets or tangible assets which ought to be disclosed in the balance sheet as at 30 September 2013 or 31 March 2013 in accordance with Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible or tangible assets would have had a material impact on the overall financial position of the Group as at Latest Practicable Date.

The Directors have also confirmed that as at the Latest Practicable Date, there were no material contingent liabilities, bad or doubtful debts or unrecorded earnings or expenses or assets or liabilities which could have a material impact on the NAV or NTA of the Group as at 30 September 2013, save as disclosed in the unaudited financial statement of the Group as at 30 September 2013 as well as the Circular.

4.2.1 NAV and NTA of the Group

Consolidated Unaudited Balance Sheet as at 30 September 2013[1]	US$' million
Non-Current Assets	
Property, Plant and Equipment	11.6
Intangible Assets	10.0
Deferred Charges	0.1
Deferred Tax Assets	0.1
	21.9
Current Assets	
Inventories	28.2
Trade receivables	5.6
Other receivables	4.7
Derivative financial instruments	1.6
Cash and bank balances	30.5
	70.6
Non-Current Liabilities	
Retirement benefit obligations	0.6
Deferred Tax Liabilities	0.8
	1.4
Current Liabilities	
Derivative financial instruments	0.6
Trade payables	0.1
Other payables	2.7
Loan payables	29.7
Provision for Taxation	0.7
	33.9
Net assets value ("NAV") including non-controlling interests	**57.2**
Less: Non-Controlling Interests	0.1
Net assets value ("NAV") attributable to shareholders of the Company	**57.1**
Less: Intangible assets	10.0
Net Tangible Assets("NTA") as at 30 September 2013	**47.1**
NAV per Share[2] (US$)	0.173
NAV per Share[2][3] (S$)	0.216
NTA per Share[2] (US$)	0.143
NTA per Share[2][3] (S$)	0.178
Issue Price (S$)	0.72
Premium of Issue Price over the Group's NAV per Share	234.1%
Premium of Issue Price over the Group's NTA per Share	305.0%
Cash and bank balances (US$' million)	30.5
Cash and bank balances per Share[2] (US$)	0.093
Cash and bank balances per Share[2][3] (S$)	0.115
Issue Price less cash and bank balances per Share (S$)	0.605
NAV per Share less cash and bank balances per Share (S$)	0.100
NTA per Share less cash and bank balances per Share (S$)	0.062
Premium of Issue Price less cash and bank balances per Share over the Group's NAV per Share less cash and bank balances per Share	**503.4%**
Premium of Issue Price less cash and bank balances per Share over the Group's NTA per Share less cash and bank balances per Share	**868.3%**

Notes:

(1) The figures above are based on the Group's unaudited financial statement for the financial year ended 30 September 2013.

(2) The figures are computed based on the Company's issued Share capital of 330,000,000 Shares as at the Latest Practicable Date.

(3) US$:S$ exchange rate 1.2463 as at Latest Practicable Date.

(4) The figures and computation above are subject to rounding.

For illustrative purposes only, the Issue Price represents a premium of approximately 234.1% and 305.0% over the Group's NAV per Share and NTA per Share as at 30 September 2013 respectively. Correspondingly, if the cash and bank balances per Share is deducted from the Issue Price and likewise from the Group's NAV and NTA per Share, the Issue Price less cash and bank balances per Share represents a premium of approximately 503.4% and 868.3% over the Group's NAV per Share or NTA per Share less cash and cash equivalents per Share respectively.

4.2.2 NAV and NTA of the Target Group

Consolidated Audited Balance Sheet as at 31 March 2013	**S$'000**
Non-current assets	
Property, plant and equipment	420.0
Biological assets	27.3
Investments in subsidiaries	–
	447.3
Current assets	
Trade and other receivables	152.5
Cash and cash equivalents	1,619.1
	1,771.7
Non-current liabilities	
Finance lease liabilities	41.8
	41.8
Current liabilities	
Other payables	539.1
Finance lease liabilities	10.4
	549.6
NAV of the Target Group as at 31 March 2013	1,627.5
Less: Intangible assets	–
NTA of the Target Group as at 31 March 2013	1,627.5
Purchase Consideration (RM$ million)	143.2
Purchase Consideration (S$ million)	56.0
Premium of Purchase Consideration over the Target Group's NAV	**3,339.1%**
Premium of Purchase Consideration over the Target Group's NTA	**3,339.1%**

Notes:

(1) The figures above are based on the Target Group's audited financial statement as at 31 March 2013.

(2) The exchange rates used are based on RM$:S$ of 0.3908.

(3) The figures and computation above are subject to rounding.

For illustrative purpose only, we note from the above table that the Purchase Consideration represents a substantial premium of approximately 3,339.1% over both the NTA and NAV of the Target Group as at 31 March 2013.

Valuation Certificate

We note from Section 2.3 of the Circular, in connection with the Proposed Acquisition, the Company had on 29 October 2013, commissioned the Independent Valuer to conduct a valuation on the Concession and the value of the Concession was determined to be RM145,000,000 (equivalent to approximately S$56,666,000 based on the exchange rate of RM1.00 to S$0.3908 as at Latest Practicable Date) as at date of valuation (the "**Market Value**"). As stated in the Valuation Certificate, the valuation was based on the market value of the Concession using the comparison method. The comparison method entails analysing recent transactions and asking prices of similar properties in and around the locality for comparison purposes with adjustments made for differences in location, terrain, size and shape of land, tenure, title restrictions if any, cultivation and other relevant characteristics to arrive at the Market Value. The extract of the Valuation Certificate, including *inter alia,* its assumptions, methodology and limitations, are set out in **Appendix B** of the Circular. Non-Interested Directors and the Audit Committee should advise the Shareholders to read the Valuation Certificate set out in **Appendix B** of the Circular in its entirety.

We understand that the Non-Interested Directors and the Audit Committee having reviewed the Valuation Certificate, (*inter-alia* the assumptions, methodology used and information relied upon by the Independent Valuer) as a whole and are of the opinion that the assumptions and methodology of the Valuation Certificate are reasonable.

Independent Shareholders should note that the Purchase Consideration represent a discount of approximately 1.2% from the Market Value of the Concession.

Revalued NAV and Revalued NTA

Based on the Valuation Certificate as well as information provided by Management, the computations for revalued NAV ("Revalued NAV") and revalued NTA ("**Revalued NTA**") is set out below.

The Concession	**S$'000**
Net book value of the Concession as at 31 March 2013	–
Market Value(2)	56,666.0
Revalued surplus	**56,666.0**
NAV or NTA as at 31 March 2013(1)	1,627.5
add: Revalued surplus(2)	56,666.0
Revalued NAV or Revalued NTA	**58,293.5**
Purchase Consideration (S$'000)(2)	**55,972.2**
Discount of the Purchase Consideration from the Target Group's Revalued NAV or Revalued NTA	**(4.0%)**

Notes:

(1) *The figures above are based on the Target Group's audited financial statement as at 31 March 2013.*

(2) *The Management has represented that the Concession is recorded as an operating lease commitment as at 31 March 2013 and it was not recorded under the Target Group's balance sheet as at 31 March 2013.*

We wish to highlight that based on discussions with the Management and the audited financial statements of the Target Group for TFY2013, the Concession is recorded as an operating lease commitment as at 31 March 2013 and not as an asset (or liability as the case may be). In addition, we note from the Valuation Certificate that the Market Value is approximately RM145.0 million. The Management has also confirmed that the fair value assessment of the Concession will result in a revaluation gain of approximately RM145.0 million on the Target Group's NAV and NTA as reflected in the table above.

For illustrative purpose only, the revaluation surplus calculated and presented in the table above assumes a hypothetical sale of the Concession at the market value above, and we did not take into account the potential tax liabilities which may arise from the hypothetical sales.

Based on the table above, it is estimated that both the Revalued NAV and Revalued NTA of the Target Group would be approximately S$58.3 million and the Purchase Consideration represents a discount of approximately 4.0% from the Revalued NAV or Revalued NTA of the Target Group. Non-Interested Directors and the Audit Committee should note the discount of the Purchase Consideration from the Target Group's Revalued NAV or Revalued NTA and that listed shares of Selected Target's Comparable Companies as set out in Section 4.3.2 of this Letter are traded on average at a premium above their respective NTA (based on the respective last transacted prices as at the Latest Practicable Date and NTA as at last financial year).

4.3 RELATIVE VALUATION ANALYSIS

In assessing the reasonableness of the Issue Price for the 26,000,000 Consideration Shares, we have compared the most recent financial performance, financial position and valuation statistics of selected companies that may, in our view, be broadly comparable to the core business of the Company which is natural rubber processing business.

The selected comparable companies have been identified after a search was carried out on various stock exchanges including the SGX-ST, the Shanghai Stock Exchange ("**SSE**"), and the Bursa Malaysia Securities Berhad ("**Bursa**") and evaluation of the companies operating in the same industry as the Group (the "**Selected Comparable Companies**"). In assessing the reasonableness of the valuation of the Target Group as implied by the Purchase Consideration, we have considered a comparison of the Target Group's most recent financial performance, financial position and valuation statistics and those of selected companies that may, in our view, be broadly comparable to the core business of the Target Group which is in the rubber plantation business ("**Selected Target's Comparable Companies**"). The Selected Target's Comparable Companies include GMG, KLK, TH Plantations Berhad ("**TH Plantations**", listed on Bursa), TSH Resources Berhad ("**TSH**", listed on Bursa), and Perusahaan Perkebunan London Sumatra Indonesia ("**PPLSI**", listed on the Indonesian Stock Exchange).

We have had discussions with the Directors and Management about the suitability and reasonableness of these Selected Comparable Companies (and the Selected Target's Comparable Companies) acting as a basis for comparison with the core businesses of the Group (or the Target Group) prior to the Proposed Acquisition. Relevant information has been extracted from the annual reports and/or public announcements of the Selected Comparable Companies (and the Selected Target's Comparable Companies). The Selected Comparable Companies (or the Selected Target's Comparable Companies) may or may not have significant business operations or assets outside of Singapore and accounting policies with respect to the values for which the assets or the revenue and cost are recorded or the relevant financial period compared may differ from the Group. In addition, the liquidity for the shares of the Selected Comparable Companies (or Selected Target's Comparable Companies) may differ from that of the Shares and prices at which the Shares and shares of the Selected Comparable Companies (or the Selected Target's Comparable Companies) trade at may be caused by any actual, perceived or fundamentally determined risk premiums.

In making the comparison herein, we wish to highlight that the companies selected and covered herein may not be directly comparable to the Group and may largely differ from the Group in terms of, *inter alia*, size and scale of operations, composition of business activities and specialization, asset base, geographical spread, track record, financial performance, capital structure, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits.

We advise Independent Shareholders to note that there may not be any company listed on any relevant stock exchange that is directly comparable to the Group in terms of size, diversity of business activities and products/services, branding, geographical spread, track record, prospects, operating and financial leverage, risk profile, quality of earnings and accounting, listing status and such other relevant criteria. Non-Interested Directors and Audit Committee should note that the prices at which shares trade include factors other than historical financial performance, and some of these, *inter alia*, include prospects real or perceived of financial performance or historical share price performance or demand and supply conditions of the shares as well as the relative liquidity of the shares and the market capitalisation or the relative sentiments of the market for the shares. We wish to highlight that it may be difficult to place reliance on the comparison of valuation statistics for the Selected Comparable Companies (or the Selected Target's Comparable Companies) as the businesses of the selected companies, its capital structures, growth rates, operating and financial leverage, taxation and accounting policies as well as the liquidity of these shares and the demand/

supply conditions for these shares and that of the Company (or the Target Company) may differ. As such, any comparison made herein is necessarily limited and serves only as an illustrative guide and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of the Group as at the Latest Practicable Date.

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

4.3.1 Relative valuation analysis for the Group

Selected Comparable Companies	Market capitalisation (S$ million)	Principal activities
Sri Trang Agro-Industry PCL ("**Sri Trang**") *Listed on SGX-ST*	665.6	The group is engaged in the manufacture and sales of rubber products. Its products include rubber smoked sheets, which are used as raw material in the production of automobile tires, pipes, shoes and parts of automobiles; block rubber, which is used in the automobile tire industry, as well as a substitute to grade-3 rubber smoked sheet, and concentrated latex, which can be used as a raw material in the production of latex examination gloves, condoms, and elastic rubber thread.
GMG Global Limited ("**GMG**") *Listed on SGX-ST*	781.3	The group is engaged in planting, growing, tapping, processing, marketing, and exporting natural rubber in the United States, Asia, and Europe. Its products include centrifuged latex grade rubber, which is used in gloves, condoms, and adhesives industry; and tire grade rubber that is used in the manufacture of tires for cars, commercial trucks, and machineries.
China Hainan Rubber ("**Hainan Rubber**") *Listed on SSE*	6,884.6	The group is principally engaged in the planting, processing and distribution of natural rubber. It also involves in the cutting and distribution of rubber trees. The major products include rubber products, such as latex thread, natural rubber gloves, concentrated natural latex rubber, standard rubber for aircraft tire use and others, as well as rubber woods.
Kuala Lumpur Kepong ("**KLK**") *Listed on Bursa*	10,296.7	The group is engaged in the business of producing and processing palm products and natural rubber on its plantations. Its operating segments include plantation (engaged in cultivation and processing of palm and rubber products and refining of palm products); and manufacturing (engaged in manufacturing of oleochemicals, soap noodles, industrial amides, fatty amines, cationic surfactants etc).

Source: *Bloomberg and respective company's website*

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

Company Name	ROE[1] (%)	Net profit margin[2] (%)	Asset turnover[3] (times)	Total liabilities[4] / shareholders' equity[5] (times)	Total borrowings[6] / shareholders' equity[5] (times)
Sri Trang	7.3%	1.4%	2.7	0.9	0.8
GMG	5.0%	3.7%	1.0	0.3	0.2
Hainan Rubber	3.3%	2.5%	1.0	0.2	0.1
KLK	12.2%	10.0%	0.8	0.5	0.3
Maximum	**12.2%**	**10.0%**	**2.7**	**0.9**	**0.8**
Minimum	**3.3%**	**1.4%**	**0.8**	**0.2**	**0.1**
Median	**6.2%**	**3.1%**	**1.0**	**0.4**	**0.2**
Simple Average	**6.9%**	**4.4%**	**1.4**	**0.5**	**0.3**
The Group					
Based on FY2012	**42.2%[7]**	**5.0%[7]**	**3.6**	**1.4**	**1.1**
Based on 9M2013	**19.0%[8]**	**5.4%[8]**	**2.2[8]**	**0.6**	**0.5**

Source: *The latest annual reports or latest announced unaudited full year financial statements of respective companies. The ratios for Sri Trang, GMG, and Hainan Rubber are based on the audited financial statements for financial period ended 31 December 2012. For KLK, the ratios are computed based on the unaudited financial statements for the financial year ended on 30 September 2013. For the Group, the ratios are computed based on the audited financial statements for the financial year ended 31 December 2012 and the unaudited financial statements for 9M2013.*

Notes:

*(1) The return on equity ("**ROE**") is based on the ratio of the consolidated net profits after tax attributable to the shareholders to the consolidated shareholders equity excluding minority interest of the respective companies.*

(2) Net profit margin is the ratio of the consolidated net profits after tax attributable to shareholders to the total consolidated revenue of the respective companies.

(3) Asset turnover is the ratio of the total consolidated revenue to the total consolidated assets of the respective companies.

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

(5) Shareholders' equity is the consolidated shareholders' funds excluding minority interest of the respective companies as at the respective financial year end of the Selected Companies or the Group.

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

(7) The Group's ROE and net profit margin are based on the Adjusted PAT FY2012 after adjusting for the non-recurring items (please see Section 4.1 of this Letter).

(8) Based on the Group's annualized Adjusted PAT 9M2013 and revenue for 9M2013.

For illustrative purposes only, we note the following:

(i) The Group's financial performance for FY2012 in terms of ROE and asset turnover is better than any of the Selected Comparable Companies. We note that the Group's ROE and asset turnover ratio for 9M2013 (based on the annualized Adjusted PAT 9M2013 and revenue) are approximately 19.0% and 2.2 times respectively and these ratios are higher than the simple average and median for the Selected Comparable Companies.

(ii) The Group's net profit margin in FY2012 is within the range and higher than the median and the simple average for the Selected Comparable Companies. The Group's net profit margin in 9M2013 was 5.4% (based on the Adjusted PAT 9M2013) and this is higher than the simple average and median for the Selected Comparable Companies.

(iii) For FY2012, the Group's leverage in terms of the ratios of total borrowings to shareholders' equity and total liabilities to shareholders' equity are higher than any of the Selected Comparable Companies. However, these ratios for total borrowings to shareholders' equity and total liabilities to shareholders' equity have subsequently improved to approximately 0.5 times and 0.6 times as at 30 September 2013 and are within the range but higher than the simple average and median for the Selected Comparable Companies.

In summary, the historical financial performance of the Group as reflected by its ROE, net profit margin and asset turnover ratio appears to be stronger than the Selected Comparable Companies. However, the Group's financial position in terms of financial leverage (for both total borrowings to shareholders' equity ratio and total liabilities to shareholders' equity ratio) as at 30 September 2013 are within the range but slightly higher than the simple average and median for the Selected Comparable Companies.

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

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

Company Name	Market Capitalisation (S$' million)	EV/ EBITDA (times)	PER[(1)] (times)	P/NAV[(2)] (times)	P/NTA[(3)] (times)	Premium/ (discount) over/from NTA (%)
Sri Trang	665.6	8.5	12.2	0.9	0.9	(10.4%)
GMG	781.3	12.2	19.3	1.0	1.0	(2.1%)
Hainan Rubber	6,884.6	57.3	114.0	3.7	3.9	290.1%
KLK	10,296.7	17.8	28.7	3.5	3.7	265.1%
Maximum	**10,296.7**	**57.3**	**114.0**	**3.7**	**3.9**	**290.1%**
Minimum	**665.6**	**8.5**	**12.2**	**0.9**	**0.9**	**(10.4%)**
Median	**3,833.0**	**15.0**	**24.0**	**2.2**	**2.3**	**131.5%**
Simple Average	**4,657.1**	**24.0**	**43.6**	**2.3**	**2.4**	**135.6%**
Median (excluding Hainan Rubber)[(4)]	**781.3**	**12.2**	**19.3**	**1.0**	**1.0**	**(2.1%)**
Average (excluding Hainan Rubber)[(4)]	**3,914.6**	**12.8**	**20.1**	**1.8**	**1.8**	**84.2%**
The Group						
As implied by the last transacted price as at the Latest Practicable Date and audited FY2012 figures	**229.4**	**13.1**	**16.7**	**7.1**	**11.4**	**1,043.8%**
As implied by the Issue Price and audited FY2012 figures	**237.6**	**13.5**	**17.3**	**7.3**	**11.8**	**1,085.0%**
As implied by the Issue Price and unaudited 9M2013 figures	**237.6**	**12.9**	**17.6**	**3.3**	**4.1**	**305.0%**

Notes:

(1) The PERs for the Selected Comparable Companies are based on the earnings per share as reflected in their latest announced unaudited full year financial statements or audited financial statements from their annual reports as at the respective financial year end.

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

(3) The P/NTA ratios for the Selected Companies are based on their respective NTA values as set out in their latest available announced unaudited full year financial statements or audited financial statements from their annual reports.

(4) Hainan Rubber has been excluded as it is deemed as an "outlier" in view of its significantly higher EV/ EBITDA and PER ratios.

*(5) EV/EBITDA ratio of the Group is based on the FY2012 EBITDA of approximately US$14.3 million adjusted for the non-recurring items of approximately US$1.0 million for FY2012 ("**Adjusted EBITDA FY2012**").*

(6) PER ratio of the Group is based on the Adjusted PAT FY2012 adjusted for the non-recurring items.

*(7) EV/EBITDA ratio of the Group is based on the annualised 9M2013 EBIDTA adjusted for the non-recurring items of approximately US$0.5 million for 9M2013 ("**Adjusted Annualised EBITDA 9M2013**").*

*(8) PER ratio of the Group is based on the annualised profit after tax of approximately US$10.2 million for 9M2013 adjusted for the non-recurring items for 9M2013 of approximately US$0.5 million for 9M2013 ("**Adjusted Annualised PAT 9M2013**").*

For illustrative purposes only, we note: -

(i) The market capitalisations of the Group as implied by the Issue Price and the last transacted price as at the Latest Practicable Date are lower than any of the Selected Comparable Companies. We note that the trading statistics for companies with higher market capitalisation may be different than those with lower market capitalisation and this may be attributable to the relative liquidity in terms of number or value of shares traded as well as relative interest in the shares of companies with larger market capitalisations.

(ii) The valuation of the Group in terms of EV/EBITDA, as implied by the Issue Price (based on the Adjusted EBITDA FY2012) and the last transacted price for the Shares as at the Latest Practicable Date is higher than the simple average and median for the Selected Comparable Companies (excluding Hainan Rubber). In addition, the valuation of the Group in terms of EV/EBITDA, as implied by the Issue Price (based on the Adjusted Annualised EBITDA 9M2013) is higher than the median and is relatively in line with the simple average for the Selected Comparable Companies (excluding Hainan Rubber).

(iii) The valuation of the Group in terms of PER, as implied by the Issue Price (based on the Adjusted PAT FY2012 and the Adjusted Annualised PAT 9M2013) and the last transacted price for the Shares as at the Latest Practicable Date is lower than the simple average and the median for the Selected Comparable Companies (excluding Hainan Rubber).

(iv) The valuation of the Group in terms of P/NAV as implied by the Issue Price (based on the audited NAV as at 31 December 2012 and the unaudited NAV as at 30 September 2013) and the last transacted price for the Shares as at the Latest Practicable Date is higher and more favourable than any of the Selected Comparable Companies.

(v) The valuation of the Group in terms of P/NTA as implied by the Issue Price (based on the audited NTA as at 31 December 2012 and the unaudited NTA as at 30 September 2013) and the last transacted price for the Shares as at the Latest Practicable Date is higher and more favourable than any of the Selected Comparable Companies. Likewise, the premium represented by the Issue Price over the Group's NTA as at 31 December 2012 of approximately 1,085.0% is higher than any of the Selected Comparable Companies. As highlighted in Section 4.2.1 of this Letter, the Issue Price represents a premium of approximately 305.0% from the Group's NTA per Share as at 30 September 2013 respectively and this is still more favourable than any of the Selected Comparable Companies.

In summary, the Group's valuation ratios in terms of EV/EBITDA, P/NAV and P/NTA (as implied by the Issue Price) are higher and more favourable than the simple average and median for the Selected Comparable Companies. Meanwhile, the Group's valuation in terms of PER (as implied by the Issue Price) is lower than the simple average for the Selected Comparable Companies. Non-Interested Directors and the Audit Committee are advised to review the Issue Price and valuation ratios in the light of the Group's better financial performance (in terms of ROE, net profit margin and asset turnover ratio as compared to the Selected Comparable Companies) but slightly higher financial leverage (as compared to the Selected Comparable Companies for both the ratio for total borrowings to shareholders' equity and total liabilities to shareholders' equity).

Comparison with the General Mandate Placement and the Proposed Credence Placement

On the CSPA Announcement Date, the Company had also announced, *inter alia,* the following transactions:

(i) Placement by the Company pursuant to the placement agreements of 27,500,000 placement Shares ("**Placement Shares**") to various placees at a placement price ("**Placement Price**") of S$0.72 for each Placement Share, issued pursuant to the general share issuance mandate granted to the Directors by Shareholders by way of an ordinary resolution at the annual general meeting of the Company held on 23 April 2013 (the "**General Mandate Placement**").

(ii) Proposed placement by the Company of 12,500,000 placement Shares ("**Credence Placement Shares**") to Credence Capital Fund II (Cayman) Limited, a substantial Shareholder, at the Placement Price of S$0.72 for each Credence Placement Share (the "**Proposed Credence Placement**").

Independent Shareholders should note that the Issue Price for the 26,000,000 Consideration Shares and the Placement Price for both the General Mandate Placement and the Proposed Credence Placement is similar.

4.3.2 Relative valuation analysis for the Target Group

The Directors have represented that the Target Group only commenced the development of its assets September 2012 and it has yet to generate any operating revenue during TFP2012 and TFY2013. In view of the Target Group's short operating history, there are constraints in relying on its historical data. Meanwhile, it is noted that Selected Target's Comparable Companies are operating companies with track record. Hence, comparisons of the Target Group's financial performance, financial position and valuation statistics with those of the Selected Target's Comparable Companies is necessarily limited.

Non-Interested Directors and Audit Committee should also note that the Target Group is privately held as at the Latest Practicable Date, while the Selected Target's Comparable Companies are listed companies. It is generally accepted that the value for quoted shares are generally higher than those for unquoted shares in view of the listed status, improved liquidity, disclosure, corporate governance requirements as well as rules of the relevant exchange that has to be complied with for listing.

As mentioned in Section 4.2.2. of this Letter, the Purchase Consideration represents a discount of approximately 1.2% from the Market Value. In addition, we note that the Purchase Consideration represents a discount of approximately 4.0% from the Revalued NTA of the Target Group. Likewise, the Selected Target's Comparable Companies are traded at an average premium of approximately 120.4% above their respective NTA (based on the respective last transacted prices as at the Latest Practicable Date and NTA as at last financial year).

4.4 ANALYSIS OF COMPARABLE TRANSACTIONS

In our assessment of the reasonableness of the Proposed Acquisition and the Purchase Consideration, we have considered the details of other acquisitions of equity interests which constitute interested person transactions (excluding very substantial acquisitions and/or reverse takeovers) undertaken by SGX-ST listed companies (the "**Selected IPT Acquisitions**") to provide, *inter alia*, a general comparison of the premium over or discount to NAV and NTA, without having regard to specific industry characteristics or other relevant considerations. We wish to highlight that the list of the Selected IPT Acquisitions is not exhaustive, and that the premium (if any) that a purchaser would pay for a business depends on various factors, including, *inter alia*, the purchaser's rationale for the acquisition, prevailing market conditions and sentiments, attractiveness and profitability of the business and assets acquired as well as relative "bargaining position" of buyer/seller. Accordingly, any comparison made with respect to the Selected IPT Acquisitions is intended to serve as an illustrative guide only.

Selected Companies	Target Companies	Announcement date	% of equity interest acquired	Total consideration for target companies (S$ mil)	Consideration to Target NAV (times)	Consideration to Target NTA (times)	Target profit/Loss
Lion Teck Chiang Limited	Kairong Developments (S) Pte Ltd	23-Feb-11	40.0%	13.5	n.a.[1]	0.8	Profit
Marco Polo Marine Ltd.	PT Pelayaran Nasional Bina Buana Raya	6-Mar-11	49.0%	15.6	1.7	1.7	Profit
MDR Limited	Distribution Management Solutions	5-Apr-11	7.7%	1.7	1.4	1.7	Profit
Adventus Holdings Limited	Apphia Advanced Materials Pte. Ltd.	3-Oct-11	100.0%	3.6	n.a.[1]	1.0	Profit
Asia Water Technology Ltd.	United Environment Co., Ltd.	27-Oct-11	75.5%	120.3	2.0	n.m.	Profit
Latitude Tree International Group Ltd.	Grob Holz Co., Ltd	31-Oct-11	85.0%	6.2	0.9	0.9	Loss
China Auto Corporation Ltd	Neftech Pte Ltd	10-Feb-12	25.0%	47.8	n.m.[2]	n.m.[2]	Loss
Global Premium Hotels Limited	Fragrance Heritage Pte. Ltd.	25-May-12	100.0%	25.1	1.0	1.0	Loss
Cougar Logistics Corporation Ltd	Grace Shine Pte Ltd	28-Sep-12	20.0%	24.0	0.9	0.9	Profit
Ossia International Limited	Vgo Corporation Limited	8-Oct-12	100.0%	18.7	1.0	N.A.	Profit
Oriental Group Limited	Xinghua Rongcheng Precision Manufacturing	26-Dec-12	100.0%	11.0	1.0	1.0	Profit
Sapphire Corporation Limited	Sichuan Longwei Metal Product Co., Ltd	28-Dec-12	100.0%	30.9	1.0	n.m.[2]	Loss
Yoma Strategic Holdings Ltd.	Meeyahta International Hotel Limited	19-Nov-12	80.0%	99.2	1.0	1.0	N.A.
Far East Group	Eden Refrigeration Manufacturing (Jiangsu) Co. Ltd.	11-Apr-13	84.3%	11.7	1.0	1.2	Loss
Advanced Systems Automation	Emerald Precision Engineering	18-Oct-13	100.0%	4.7	2.00	2.00	Profit
Highest				**120.3**	**2.0**	**2.0**	
Lowest				**1.7**	**0.9**	**0.8**	
Median				**15.6**	**1.0**	**1.0**	
Average				**28.9**	**1.2**	**1.2**	
Halcyon Agri Corporation Limited	**JFL Agro Pte. Ltd.**	**9-Sep-13**	**100%**	**56.0**	**0.96**[3]	**0.96**[3]	**Loss**

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

Note:

(1) n.a.: The data are not available in the respective announcements and circulars for the acquisition transaction

(2) n.m.: Not meaningful as the NAV and NTA of the respective target companies are negative

(3) Based on the Revalued NTA and Revalued NAV of the Target Group

For illustrative purposes only, we note the following:-

(i) The Target Group's value based on the Purchase Consideration as compared to the total consideration payable for the Selected IPT Acquisition is within the range and higher than both the simple average and median of the Select IPT Acquisition.

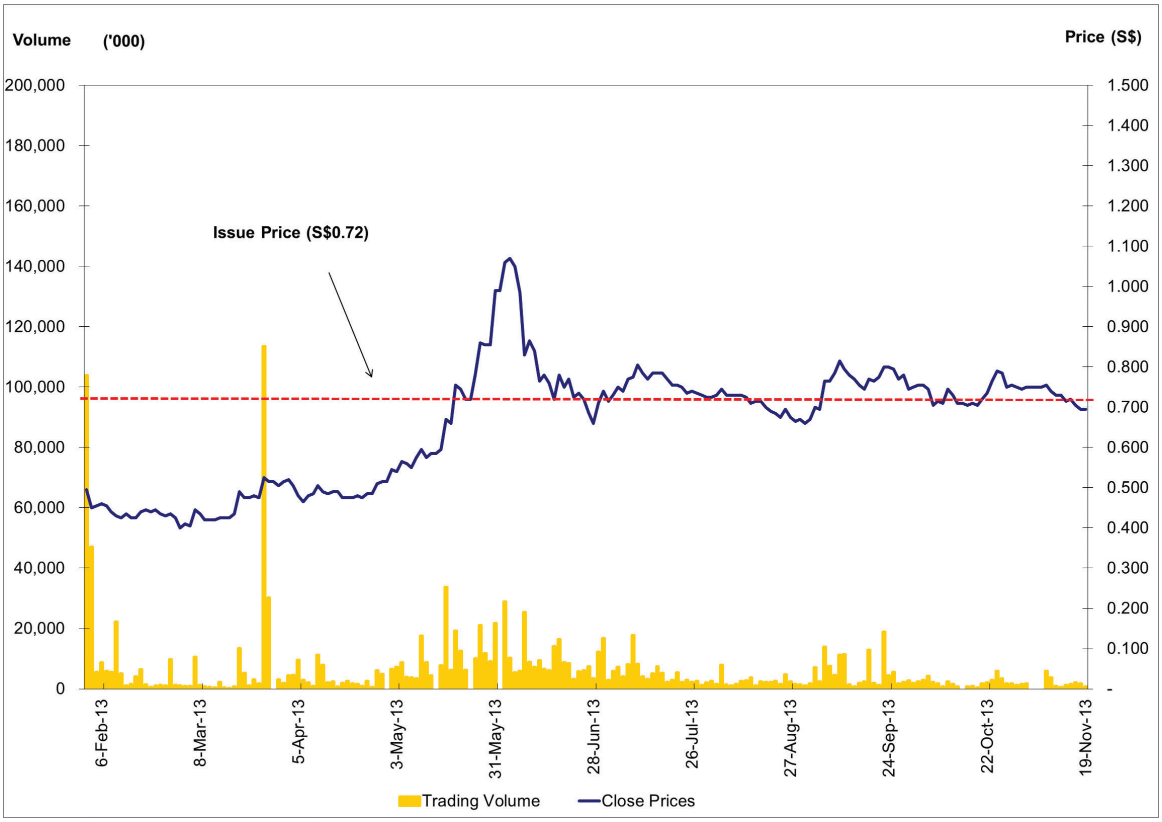
(ii) The Target Group's P/NAV and P/NTA ratios of approximately 0.96 times as implied by the Purchase Consideration, the Revalued NAV and the Revalued NTA are within the range and lower than the simple average and in line with the median for the Selected IPT Acquisitions.

Independent Shareholders should note that as the circumstances for each of the companies listed is unique and as the companies or the transactions may not be identical to the Target Group or the Proposed Acquisition in terms of business activities, size of operations, market capitalisation, asset base, risk profile, track record, future prospects, payment terms and other relevant criteria, the analysis is necessarily limited. Further, the list of Selected IPT Acquisitions is by no means exhaustive and information relating to the said companies was compiled from publicly available information. Accordingly, any comparison between the Proposed Acquisition and the Selected IPT Acquisitions serves as an illustrative guide only.

4.5 MARKET QUOTATION AND TRADING ACTIVITIES FOR THE SHARES

In assessing the Issue Price, we have considered the market quotation and trading activities for the Shares. We set out below a historical chart on the prices and trading volumes of the Shares for the period commencing from 1 February 2013, being the date of listing of the Shares on Catalist ("**Date of Listing**") and ending on the Latest Practicable Date.

Price and traded volume for the Shares for the period from 1 February 2013 to the Latest Practicable Date:



Source: *SGX-ST*

For the period commencing from 1 February 2013 and ending on 9 September 2013, being the Term Sheet Announcement Date (both dates inclusive), we note that Shares were traded for 148 Market Days out of 153 Market Days. The closing prices of the Shares were above the Issue Price for 55 Market Days, below the Issue Price for 94 Market Days and on par with the Issue Price for 4 Market Days. We observed that the Share price closed at S$0.815 (or an increase of approximately 3.8%) on 10 September 2013, being the Market Day immediately after the Term Sheet Announcement Date as compared to closing price of S$0.785 for the Shares on the Term Sheet Announcement Date. Subsequent to the Term Sheet Announcement Date, the closing prices for the Shares fluctuated between S$0.705 and S$0.815 and the last transacted price for the Shares was S$0.750 on 1 November 2013 being the last Trading Day prior to the CSPA Announcement Date. A trading halt was requested immediately after 1 November 2013, and subsequently the trading halt was lifted after the release of the announcement on, *inter alia,* the CSPA. The Share price closed at S$0.755 on 7 November 2013 (being the Market Day immediately after the CSPA Announcement Date) and closed at S$0.695 on the Latest Practicable Date.

As a general market comparison and observation, the FTSE Straits Times Catalist Index ("**FTSE ST Catalist**") increased by approximately 3.5% for the period commencing from 1 February 2013 and ending on 9 September 2013, being the Term Sheet Announcement Date, and subsequently declined by approximately 9.6% from 10 September 2013 to the Latest Practicable Date. For the same period commencing from 1 February 2013 and ending on 9 September 2013, being the Term Sheet Announcement Date, the price for the Shares increased by approximately 58.6% and subsequently decreased by approximately 11.5% from 10 September 2013 till the Latest Practicable Date. We observed that the Shares have outperformed the FTSE ST Catalist for the period commencing from the Date of Listing till the Term Sheet Announcement Date and subsequently the Shares have slightly underperformed the FTSE ST Catalist for the period commencing from 10 September 2013 till the Latest Practicable Date.

The above chart and the analysis below is presented for illustrative purposes only, and they are by no means representative of the future trading performance or prices of the Shares. The volume-weighted closing price ("**VWCP**") of the Shares, the highest and lowest transacted prices for the Shares and the average number of Shares traded on a daily basis for the period commencing on the Date of Listing prior to the Announcement Date and ending on the Latest Practicable Date is set out below.

	VWCP[(1)] (S$)	Premium/ (Discount) of the Issue Price over/ from VWCP (%)	Lowest transacted price (S$)	Highest transacted price (S$)	Average daily trading volume[(2)] (Shares)	Average daily trading volume as % of free-float[(3)] (%)
For the period prior to the Term Sheet Announcement Date						
Since the Date of Listing[(4)]	0.644	11.9%	0.400	1.110	7,303,634	9.03%
Last 6 months	0.694	3.7%	0.420	1.110	6,753,202	8.35%
Last 3 months	0.756	(4.7)%	0.650	1.010	5,474,328	6.77%
Last 1 month	0.724	(0.5)%	0.650	0.800	3,334,857	4.12%
Last transacted price on 9 September 2013 (being the Term Sheet Announcement Date)	0.785[(5)]	(8.3)%	0.775	0.800	4,552,000	5.63%
Last transacted price on 1 November 2013 (being the Market Day immediately preceding the CSPA Announcement Date)	0.750[(6)]	(4.0)%	0.740	0.760	1,628,000	2.01%
For the period after the Term Sheet Announcement Date up to the Latest Practicable Date						
Till the Latest Practicable Date	0.769	(6.4)%	0.650	0.840	2,802,980	3.47%
The Latest Practicable Date	0.695[(7)]	3.6%	0.685	0.700	632,000	0.78%

Notes:

(1) The VWCP had been weighted based on the last transacted prices of the Shares and traded volume for the relevant trading days for each of the periods.

(2) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the period divided by the number of market days during that period.

(3) Free float refers to approximately 80,850,000 Shares (or approximately 24.50% of the issued Share capital) held by Shareholders, other than the Substantial Shareholders and Directors as at the Latest Practicable Date and as enumerated in the Circular.

(4) The Company was officially listed on the SGX Catalist on 1 February 2013.

(5) This represents the last transacted price instead of VWCP on 9 September 2013.

(6) This represents the last transacted price instead of VWCP on 1 November 2013.

(7) This represents the last transacted price instead of VWCP on 19 November 2013, being the Latest Practicable Date.

Based on a general observation of the table above and after taking into consideration the summary of the transacted Share prices, we note that the Issue Price is:-

(i) at a discount of approximately 4.0% to the last transacted price of S$0.750 for each Share on the Catalist on 1 November 2013, being the Market Day immediately preceding the CSPA Announcement Date;

(ii) at a discount of approximately 8.3% to the last transacted price of S$0.785 for each Share on the Catalist on 9 September 2013, being the Term Sheet Announcement Date;

(iii) at a premium of approximately 11.9%, and 3.7% over the VWCP for the Shares for the period from the Date of Listing till the Term Sheet Announcement Date and 6-month VWCP for the Shares prior to the Term Sheet Announcement Date respectively;

(iv) at a discount of approximately 4.7%, and 0.5% from the 3-month and 1-month VWCP for the Shares prior to the Term Sheet Announcement Date respectively;

(v) at a discount of approximately 6.4% from the VWCP for the Shares for the period commencing from the Market Day immediately after the Term Sheet Announcement Date and ending on the Latest Practicable Date; and

(vi) at a premium of approximately 3.6% from the last transacted price of S$0.695 for each Share on the Catalist on 19 November 2013, being the Latest Practicable Date.

For illustrative purposes only, (based on the number of Shares traded on a daily basis) during the period commencing from Date the Listing and ending on the Latest Practicable Date, we note that:-

(i) from the Date of Listing up to the Term Sheet Announcement Date (both dates inclusive), the Shares were traded on 148 trading days out of the total 153 Market Days during the period. The total number of Shares traded during this period was approximately 1.1 billion Shares and the average number of Shares traded on a daily basis is approximately 7.3 million Shares (based on the total number of Market Days), which represents approximately 2.2% of total number of Shares issued as at the Latest Practicable Date. The average daily trading volume of approximately 7.3 million Shares represents approximately 9.0% of the issued Share capital, held by Shareholders other than the Substantial Shareholders and Directors as at the Latest Practicable Date;

(ii) For the period after Term Sheet Announcement Date till the Latest Practicable Date, the Shares were traded on 47 Trading Days out of the total 51 Market Days during the period. The total number of Shares traded during this period was approximately 143.0 million Shares and the average number of Shares traded on a daily basis is approximately 2.8 million Shares (based on the total number of Market Days), which represents approximately 0.9% of total number of Shares issued as at the Latest Practicable Date. The average daily trading volume of approximately 2.8 million Shares, represents approximately 3.5% of the issued Share capital, held by Shareholders other than the Substantial Shareholders and Directors as at the Latest Practicable Date.

We note that trading for the Shares is erratic and that the number of Shares traded during the period analysed is moderate as compared to the number of Shares held by Shareholders other than Substantial Shareholders and Directors as at the Latest Practicable Date. It is generally accepted that the more actively traded the Shares, the greater reliance on market prices as a determination of the fair value between willing buyer and willing seller. We also note that the number of Shares which are traded on a daily basis after the Term Sheet Announcement Date till the Latest Practicable Date is lower than the number of Shares which are traded on a daily basis during the period starting from the Date of Listing and ending on the Term Sheet Announcement Date. We also note that for the period commencing from 10 September 2013 (being the Market Day immediately after the Term Sheet Announcement Date) to the Latest Practicable Date, the last transacted prices for the Shares were generally higher than the Issue Price.

Independent Shareholders should note that there is no assurance that the prices and average volume of Shares traded on a daily basis will be maintained or that the transacted prices for the Shares after Completion (or if the Proposed Acquisition lapses) will be at the same levels prevailing during the period commencing from the Term Sheet Announcement Date and ending on the Latest Practicable Date.

The Audit Committee and Non-Interested Directors should note that past trading performance for the Shares may not be relied upon as an indication or promise of its future trading performance.

4.6 FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The proforma financial effects of the Proposed Acquisition and the Proposed Credence Placement on the Group and its assumptions are set out in Section 4 of the Circular. We recommend that the Non-Interested Directors and the Audit Committee advise the Independent Shareholders to read those pages of the Circular carefully.

For illustrative purposes only, we note from Section 4 of the Circular that the earnings per Share ("**EPS**") of the Group would decrease from 2.99 US$ cents for FY2012 to 2.38 US$ cents after the issuance of 27,500,000 Placement Shares pursuant to the General Mandate Placement, completion of the Proposed Acquisition, and completion of the Proposed Credence Placement. We understand from the Management that the Proposed Acquisition (excluding the financial effects of the General Mandate Placement and the Proposed Credence Placement) will lead to a decline in the Group EPS from approximately 2.99 US$ cents for FY2012 to approximately 2.64 US$ cents due mainly to the Target Group's relatively short operating track record and net loss after tax of approximately S$548.3 thousand for TFY2013. We further note that after completion of the General Mandate Placement, the Proposed Acquisition and the Proposed Credence Placement, the Group's NTA per Share will increase from approximately 4.93 US$ cents as at 31 December 2012 to approximately 14.07 US$ cents. Based on the information provided by the Management, the Proposed Acquisition (excluding the financial effects of the General Mandate Placement and the Proposed Credence Placement) would lead to an increase in the Group's NTA per Share from approximately 4.93 US$ cents as at 31 December 2012 to approximately 9.16 US$ cents taking into account the Target Group's audited NTA of approximately S$1.6 million as well as the effect on the NTA arising from the issuance of 26,000,000 Consideration Shares pursuant to the Proposed Acquisition.

We wish to highlight that the Proposed Acquisition will lead to a lower EPS but higher NTA per Share for the Group. Notwithstanding the Proposed Acquisition will lead to a lower EPS, the Directors believe that the Proposed Acquisition represents a major strategic advancement of the Group's business into the upstream segment of the Malaysian natural rubber supply chain and is complementary to the Group's recently announced expansion into Malaysia through the proposed acquisition of the rubber processing assets of Chip Lam Seng Sdn. Bhd. The Directors consider the Proposed Acquisition to be in the interest of and beneficial to the Group.

5. OTHER CONSIDERATIONS

5.1 Rationale for and benefits of the Proposed Acquisition

The rationale for and benefits of the Proposed Acquisition has been extracted from Section 2.5 of the Circular and is set out in italic below. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

"2.5 Rationale and Benefits for the Proposed Acquisition

The Board believes that the Proposed Acquisition is in the best interests of the Company and its shareholders for the following reasons:

(a) The Proposed Acquisition represents a major strategic advancement of the Group's business into the upstream segment of the Malaysian natural rubber supply chain. The development of the Concession into a natural rubber plantation will be in line with the Group's commitment to sustainability;

(b) The investment in upstream natural rubber in Malaysia is complementary to the Group's recently announced expansion into Malaysia through the proposed acquisition of the rubber processing assets of CLS; and

(c) Once the rubber plantation is fully mature, it will provide up to 10% of the required raw material for the CLS factories, enabling the Group to capture both the upstream planting margin as well as additional processing margin by producing ultra-premium / specialty grades of rubber by having full custody of the raw material supply chain."

5.2 Risk factors relating to the Proposed Acquisition

While we have, in the course of our evaluation, assessed the financial terms of the Proposed Acquisition and considered the transaction from the perspective of whether such terms are on normal commercial terms and prejudicial to the interests of the Company and the minority Shareholders, we have not examined the underlying business and financial risks associated with the Proposed Acquisition as well as the business prospects of the Target Group or the Enlarged Group following the completion of the Proposed Acquisition, which shall be the responsibility of the Directors.

The risk factors in connection with the Proposed Acquisition is set out in Section 2.6 of the Circular. Should any of the considerations and uncertainties highlighted in the aforementioned risk factors develop into actual event, the business, financial condition or results of the operations of the Group, the Company, the Target Group or the Enlarged Group could be materially adversely affected.

5.3 Dilution impact of the Proposed Acquisition to the Independent Shareholders

It is important to note that pursuant to the Proposed Acquisition and issuance of 26,000,000 Consideration Shares, the shareholdings of existing Shareholders will be affected. In evaluating the dilution impact of the Proposed Transactions on existing Independent Shareholders, we have considered the following:-

	Shareholdings as at latest Practicable Date				Upon completion of issuance of Shares pursuant to the General Mandate Placement and the Proposed Acquisition[8]				Upon completion issuance of Shares pursuant to the General Mandate Placement, the Proposed Acquisition and the Proposed Credence Placement[9]			
	Direct Interests	**Deemed Interests**	**Total Interests**	**%**	**Direct Interests**	**Deemed Interests**	**Total Interests**	**%**	**Direct Interests**	**Deemed Interests**	**Total Interests**	**%**
Vendors												
Forlenza Investments Limited	–	–	–	0.00%	13,000,000	–	13,000,000	3.39%	13,000,000	–	13,000,000	3.28%
Jewel Castle Limited	–	–	–	0.00%	6,500,000	–	6,500,000	1.69%	6,500,000	–	6,500,000	1.64%
Laveyne Limited	–	–	–	0.00%	6,500,000	–	6,500,000	1.69%	6,500,000	–	6,500,000	1.64%
Total			–	0.00%			26,000,000	6.78%			26,000,000	6.57%
Directors												
Robert Gunther Meyer[2]	4,550,000	4,550,000	9,100,000	2.76%	4,550,000	4,550,000	9,100,000	2.37%	4,550,000	4,550,000	9,100,000	2.30%
Pascal Guy Chung-Wei Demierre	4,400,000	–	4,400,000	1.33%	4,400,000	–	4,400,000	1.15%	4,400,000	–	4,400,000	1.11%
Alan Rupert Nisbet [3]	–	400,000	400,000	0.12%	–	400,000	400,000	0.10%	–	400,000	400,000	0.10%
Randolph Khoo Boo Teck	–	–	–	0.00%	–	–	–	0.00%	–	–	–	0.00%
Jason Lewis Barakat-Brown	150,000	–	150,000	0.05%	150,000	–	150,000	0.04%	150,000	–	150,000	0.04%
Substantial Shareholders												
Halcyon Agri Resources Pte. Ltd. [4]	100,800,000	–	100,800,000	30.55%	100,800,000	–	100,800,000	26.28%	100,800,000	–	100,800,000	25.45%
Halcyon Investment Corporation Pte. Ltd.[5]	–	100,800,000	100,800,000	30.55%	–	100,800,000	100,800,000	26.28%	–	100,800,000	100,800,000	25.45%
Michael Tay Wee Jin	1,100,000	100,800,000	101,900,000	30.88%	1,100,000	100,800,000	101,900,000	26.57%	1,100,000	100,800,000	101,900,000	25.73%
Le Mercier Lynette Nee Lord[6]	55,000,000	–	55,000,000	16.67%	55,000,000	6,500,000	61,500,000	16.04%	55,000,000	6,500,000	61,500,000	15.53%
Andrew Trevatt	19,400,000	–	19,400,000	5.88%	19,400,000	–	19,400,000	5.06%	19,400,000	–	19,400,000	4.90%
Leonard Peter Silvio Beschizza	18,800,000	–	18,800,000	5.70%	18,800,000	–	18,800,000	4.90%	18,800,000	–	18,800,000	4.75%
Credence Capital Fund II (Cayman) Limited	40,000,000	–	40,000,000	12.12%	40,000,000	–	40,000,000	10.43%	52,500,000	–	52,500,000	13.26%
Placees for 27.5 million Placement Shares	–	–	–	–	27,500,000	–	27,500,000	7.2%	27,500,000	–	27,500,000	6.9%
Existing Public Shareholders[7]			80,850,000	24.50%			80,850,000	21.08%			80,850,000	20.42%
TOTAL	330,000,000			100%	383,500,000			100%	396,000,000			100%

Notes:

(1) Number of issued Shares excluding treasury shares is 330,000,000 as at the Latest Practicable Date.

(2) Robert Gunther Meyer is deemed to be interested in the Shares held by his father, Gunther Richard Meyer and Nut Hill Investments Ltd. Nut Hill Investments Ltd. is an investment holding company incorporated in British Virgin Islands and is wholly owned by Tan Su-Lyn, who is Robert Meyer's wife.

(3) Alan Rupert Nisbet is deemed to be interested in the 400,000 Shares held by his spouse, Low Yu Cheng.

(4) Halcyon Agri Resources is an investment holding company incorporated in Singapore and is wholly owned by Halcyon Investment Corporation.

(5) Halcyon Investment Corporation is deemed interested in the Shares held by virtue of its shareholdings in Halcyon Agri Resources. Michael Tay Wee Jin is deemed interested in the Shares held by virtue of his shareholding in Halcyon Investment Corporation.

(6) Dato' Le Mercier is deemed to be interested in the Shares held by LL, by virtue of her beneficial interest in LL.

(7) Existing Public Shareholders are Shareholders other than the Vendors, the Directors, the Substantial Shareholders, and the Placees for the General Mandate Placement and the Proposed Credence Placement as at the Latest Practicable Date.

(8) After the issuance of 27,500,000 Placement Shares pursuant to the General Mandate Placement, issuance of the 26,000,000 Consideration Shares pursuant to the Proposed Acquisition.

(9) After the issuance of 27,500,000 Placement Shares pursuant to the General Mandate Placement, issuance of the 26,000,000 Consideration Shares pursuant to the Proposed Acquisition, and completion of the Proposed Credence Placement.

Based on the above illustration, we note that after the issuance of 27,500,000 Placement Shares pursuant to the General Mandate Placement, and the issuance of 26,000,000 Consideration Shares upon completion of the Proposed Acquisition, the number of Shares in issue will increase from 330,000,000 Shares to 383,500,000 Shares and the Vendors' shareholding will increase from 0% to approximately 6.78%. In addition, Dato' Le Mercier as the Interested Person in relation to this Proposed Acquisition will have her shareholding decreased slightly from 16.67% to 16.04%. In addition, we note that the shareholding of the existing public Shareholders will decrease from 24.50% to approximately 21.08%.

We further note that after the issuance of 27,500,000 Placement Shares pursuant to the General Mandate Placement, the issuance of 26,000,000 Consideration Shares upon completion of the Proposed Acquisition, and the issuance of 12,500,000 Credence Placement Shares, the total issued Share capital will further increase to 396,000,000. As a result, the Vendors' shareholdings will be diluted from 6.78% to 6.57%, while Dato' Le Mercier's shareholdings will further decrease to 15.53%. The shareholdings of the existing public Shareholders will subsequently decrease also to 20.42%.

5.4 Comparison with the recent acquisitions undertaken by the Company

On 3 June 2013, the Company announced that its indirect wholly-owned subsidiary, Halcyon Agri (Malaysia) Sdn. Bhd. had on 31 May 2013, entered into a conditional sale and purchase agreement (the "**CLS Sale and Purchase Agreement**") with Chip Lam Seng Sdn. Bhd. for the acquisition of (a) two natural rubber processing factories located in Ipoh, Malaysia together with all associated buildings, plant and machinery (the "**CLS Assets**"); and (b) four plots of land (the "**CLS Land**") on which the CLS Assets are located and operated (the "**Acquisition of CLS Assets and Land**"). The total consideration for the Acquisition of CLS Assets is RM63,000,000 (equivalent to approximately S$25,672,500 based on the exchange rate of RM1.00 to S$0.4075 as at 3 June 2013) (the "**CLS Consideration**").

On 25 October 2013, the Company announced that its wholly owned subsidiary, Halcyon Agri Indonesia Pte. Ltd. had on 25 October 2013, entered into a conditional share sale and purchase agreement with Mr Basuki Prawono Winata and Mr Hendrik Oking for the acquisition of the following key assets (the "**Golden Energi Key Assets**"): (a) Leasehold land of 102,275 square metres held under the land title of Hak Guna Bangunan/HGB (Right to Build) No. 1, issued by the Office of Land Affair of the Salorangun Regency registered in the name of PT. Golden Energi, complemented by Surat Ukur (Measuring Letter) No. 14/Muaro Ketalo/2006 dated 10 February 2006, commencing on 16 February 2006 and expiring on 16 February 2036; (b) land of approximately 50 hectares located at Jalan Sarolangun, Desa Rangkiling, Kecamatan Mandiangin, Kabupaten Sarolangun, Jambi; (c) a crumb rubber factory comprising land, buildings, machinery and equipment, located at Muaro Kelato Village Road, Muaro Ketalo Village, Mandiangin District, Sarolangun, Jambi, Indonesia; and (d) all relevant licences for the operation of a natural rubber processing facility including, but not limited to, processing permits, export licences, production marks, building licences and environmental licences. This acquisition is conducted via an acquisition of 19,000 ordinary shares representing 95% of the issued and paid up share capital of PT. Golden Energi, which own the Golden Energi Key Assets (the "**Acquisition of Golden Energi**"). The consideration for the Acquisition of Golden Energi is US$7,000,000 (equivalent to approximately S$8,659,000 based on the exchange rate of US$1.00 to S$1.237 as at 25 October 2013) (the "**Golden Energi Consideration**").

The Directors and the Management have represented that both the Acquisition of CLS Assets and Land and the Acquisition of Golden Energi have not been completed as at the Latest Practicable Date and that as the said acquisitions are in order to expand the Group's production capacity, they are not comparable to and of different nature from the Proposed Acquisition.

5.5 No assurance of profitability or prices for shares

Non-Interested Directors and Audit Committee should note that no profit warranty has been provided by any party with respect to the future performance of the Target Group in connection with the Proposed Acquisition. There can be no assurance that the Target Group will be profitable in the near future or in the long-term.

The Target Group recorded net loss after tax of approximately S$548.3 thousand and S$109.3 thousand in TFY2013 and TFP2012 respectively. We would like to highlight the Target Group's short operating track record as it has only commenced development of its assets since September 2012 and has not booked any operating revenue as at the Latest Practicable Date.

We would also like to highlight that there is no assurance that the steps taken or to be taken by the Group or the Target Group or the Enlarged Group subsequent to the Proposed Acquisition to improve the profitability and Shareholders' value, including, *inter alia*, potential expansion of the Enlarged Group's business, will be successful or would result in an enhancement of Shareholder value or would result in the Shares being traded at prices higher than the current prices as at the Latest Practicable Date.

5.6 No alternative investment/business expansion or acquisition opportunity other than the Proposed Acquisition

As at the Latest Practicable Date, the Directors have confirmed that they are not aware of any firm/formal offer for alternative investment/business expansion or acquisition opportunity available to the Company, which is comparable in nature, size and scope to the Proposed Acquisition.

5.7 Voting for the Proposed Acquisition

Pursuant to Rule 919 of the Catalist Rules, an interested person and any associate of the interested person shall abstain from voting on the resolutions approving the interested person transactions involving themselves and their associates. Such interested persons and their associates shall not act as proxies nor accept appointments as proxies in relation to such resolutions unless specific voting instructions had been given by the shareholders.

We note from Section 12.1 of the Circular that Dato' Le Mercier will abstain from voting, and undertakes to ensure that her Associates will abstain from voting on the Resolution relating to the Proposed Acquisition. Further, Dato' Le Mercier undertakes to decline to accept any appointment as proxy to vote and attend at the forthcoming EGM in respect of Resolution relating to the Proposed Acquisition unless the Shareholder concerned have given specific instructions as to the manner in which his votes are to be cast.

5.8 Undertakings by the Shareholders

We note from Section 11.1 of the Circular that Halcyon Agri Resources, Credence, Andrew Trevatt, Leonard Peter Silvio Beschizza, Robert Gunther Meyer, Pascal Guy Chung Wei Demierre, and Nut Hill Investments Ltd. being shareholders collectively interested in shares representing 58.17% of the share capital of the Company as at the Latest Practicable Date, have each undertaken to the Company to vote in favour of the Resolution 1 relating to the Proposed Acquisition.

Independent Shareholders should note that the Resolution relating to the Proposed Acquisition is an ordinary resolution (which requires a simple majority). Pursuant to the undertaking as stated in Section 11.1 of the Circular, the Resolution relating to the Proposed Acquisition will be passed.

5.9 EIA Approval

We note from Section 2.4.5 of the Circular that the Vendors shall procure and ensure the issuance of an EIA Approval Letter or its equivalent (the "**Environmental Impact Assessment Approval Letter**" or "**EIA Approval**") in respect of the Concession by the Department of Environment, Kelantan or such appropriate Malaysian governmental body to the Target Group, by the Long-Stop Date. The Company shall make payment of the Final Cash Consideration to the Vendors on the seventh day after its issuance of notice to the Vendors notifying the receipt of the EIA Approval. It is further noted that in the event the EIA Approval is not granted to the Target Group by the Long-Stop Date, the Company has a right to waive the Vendors' obligation to procure the EIA Approval and the Company shall be under no obligation to make payment of the Final Cash Consideration.

Based on the discussion with the Directors and the Management, we understand that the EIA Approval is required in order for the Target Group to embark on the rubber plantation within the Concession. In the event that the EIA Approval is not obtained, the Target Group will not be able to embark on the rubber plantation within the Concession. We wish to highlight that the EIA approval is a condition subsequent to the completion of the Proposed Acquisition and that upon completion of the Proposed Acquisition, the Company has the obligation to pay the Interim Cash Consideration and to issue the Consideration Shares.

The Directors have represented to us and confirmed the following:

(i) The Directors confirmed that the Company will not waive the condition pertaining to the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession;

(ii) The Directors confirmed that the Company will not pay the Interim Cash Consideration and will not issue the Consideration Shares in the event that the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession is not obtained;

(iii) The Directors are satisfied and confident that, in the event that the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession is obtained, that the final EIA Approval will be forthcoming; and

(iv) The Directors confirmed that the Company will not make payment of the Final Cash Consideration in the event that the final EIA Approval is not obtained.

5.10 Comparison with the IPO and the May 2013 Placement

Comparison with IPO

We have reviewed the initial public offering ("**IPO**") statistics for the Company upon its listing on Catalist on 1 February 2013 for an indication of the perceived valuation that public investors ascribed to the Company. We note from the Company's offer document dated 24 January 2013 that the placement price for the IPO was S$0.36 representing a premium of approximately 132.41% and 219.72% over the Group's NAV and NTA respectively as at 30 September 2012 adjusted for the issuance of 44 million new Shares for a total cash consideration of approximately S$15.84

million pursuant to the pre-IPO investment but before adjusting for the estimated net proceeds from the issue of the new Shares pursuant to the IPO. In addition, the placement price for the IPO of S$0.36 represents approximately PER of 16.82 times (based on the Group's historical EPS for FY2011 adjusted for the remuneration pursuant to the service agreement with Executive Chairman and CEO of FY2011).

We note that for the Proposed Acquisition, the Issue Price for the Consideration Shares represents a premium of approximately 234.1% and 305.0% over the Group's NAV and NTA per Share as at 30 September 2013 respectively and that the valuation of the Group in terms of PER as implied by the Issue Price is approximately 17.6 times. Independent Shareholders should note the Group's valuation ratio in terms of premium over the NAV and NTA as well as PER as implied by the Issue Price are higher and more favourable as compared to the valuation of the Group during the IPO.

The Non-Interested Directors and the Audit Committee should note that the comparison of the Company's IPO statistics with the Proposed Acquisition may be subject to factors such as, *inter alia*, timing, market sentiment, size of offering, pricing of the IPO shares, analyst coverage and competing issues at the time of the IPO. Hence, any comparison thereof is at best an indication or illustration of the possible valuation of the Company's IPO statistics as compared to that of implied valuation of the Company from the Issue Price.

<u>Comparison with the May 2013 Placement</u>

The Company announced a placement of 40,000,000 new Shares on 15 May 2013 ("**May 2013 Placement**") at an issue price of S$0.5175 for each placement Shares ("**May 2013 Placement Price**"). The May 2013 Placement was completed on 24 June 2013. We note that the May 2013 Placement Price valued the Group at approximately 3.04 times and 4.07 times to the NAV and NTA of the Group as at 31 March 2013 respectively.

We note that for the Proposed Acquisition, the Issue Price for the Consideration Shares values the Group at approximately 3.34 times and 4.05 times to the NAV and NTA of the Group as at 30 September 2013 respectively. The valuation as implied by the Issue Price in terms of P/NAV ratio is higher than the valuation implied by the May 2013 Placement Price while in terms of P/NTA ratio, the valuation implied by the Issue Price is in line with the valuation as implied by the May 2013 Placement.

The Non-Interested Directors and the Audit Committee should note that the comparison with the May 2013 Placement may be subject to factors such as, *inter alia*, timing, market sentiment, size of issuance, pricing of the placement shares. Hence, any comparison thereof is at best an indication or illustration of the implied valuation of the May 2013 Placement as compared to that of implied valuation of the Company from the issue of Consideration Shares.

6. Opinion

In arriving at our recommendation, we have reviewed and examined the following factors summarized below as well as others elaborated elsewhere in our Letter which we have considered to be pertinent in our assessment of the Proposed Acquisition as Interested Person Transaction, including the views of and representations by the Directors. Our recommendation or opinion is by no means an indication of the merits of the prospects, financial performance and position of the Company or the Group or the Target Company or possibilities or feasibilities that the Environmental Impact Assessment Approval Letter relating to the Concession can be obtained. The following should be read in conjunction with, and in the context of, the full text of this Letter.

(a) The rationale for and benefit of the Proposed Acquisition wherein we note from Section 2.5 of the Circular that, *inter alia,* the Proposed Acquisition represents a major strategic advancement of the Group's business into the upstream segment of the Malaysian natural rubber supply chain. It is complementary to the Group's recently announced expansion into Malaysia through the proposed acquisition of the rubber processing assets of Chip Lam Seng Sdn. Bhd. The Directors consider the Proposed Acquisition to be in the interest of and beneficial to the Group.

(b) The Target Company was established on 28 June 2011 but it only started development of its assets in September 2012. The Target Company recorded a loss after-tax of approximately S$548.3 thousand and S$109.3 thousand for TFY2013 and TFP2012 respectively. We understand that the loss incurred was mainly due to its start-up nature and that no operating revenues were generated during TFP2012 and TFY2013.

(c) The evaluation of the Purchase Consideration (as set out in Section 4 of this Letter) after taking into account, *inter alia,* the following factors:

(i) The Purchase Consideration represents a discount of approximately 1.2% from the Market Value of the Concession ascribed by the Independent Valuer.

(ii) The Purchase Consideration represents a discount of approximately 4.0% from the Revalued NAV or Revalued NTA of the Target Group (as set out in Section 4.2.2 of this Letter). Likewise, we note that the Selected Target's Comparable Companies are traded at an average premium of approximately 120.4% above their respective NTA (based on the respective last transacted prices as at the Latest Practicable Date and NTA as at last financial year).

(iii) The Target Group's value based on the Purchase Consideration is within the range but higher than the simple average and the median for the Selected IPT Acquisitions and the Target Group's P/NAV and P/NTA ratios of approximately 0.96 times as implied by the Purchase Consideration, the Revalued NAV and the Revalued NTA are within the range and lower than the simple average and in line with the median for the Selected IPT Acquisitions.

(d) The Issue Price for the 26,000,000 Consideration Shares after taking into account, *inter alia,* the following factors:

(i) The Issue Price represents a discount of approximately 4.0% to the last transacted price of S$0.750 for each Share on the Catalist on 1 November 2013, being the Market Day immediately preceding the CSPA Announcement Date;

(ii) The Issue Price represents a discount of approximately 8.3% to the last transacted price of S$0.785 for each Share on the Catalist on 9 September 2013, being the Term Sheet Announcement Date.

(iii) The Issue Price represents a premium of approximately 11.9%, and 3.7% over the VWCP for the Shares for the period from the Date of Listing till the Term Sheet Announcement Date and 6-month VWCP for the Shares prior to the Term Sheet Announcement Date respectively.

(iv) The Issue Price represents a discount of approximately 4.7%, and 0.5% from the 3-month and 1-month VWCP for the Shares prior to the Term Sheet Announcement Date respectively.

(v) The Issue Price represents a discount of approximately 6.4% from the VWCP for the Shares for the period commencing from the Market Day immediately after the Term Sheet Announcement Date and ending on the Latest Practicable Date.

(vi) The Issue Price represents a premium of approximately 3.6% from the last transacted price of S$0.695 for each Share on the Catalist on 19 November 2013, being the Latest Practicable Date.

(vii) The Issue Price for the 26,000,000 Consideration Shares and the Placement Price for both the General Mandate Placement and the Proposed Credence Placement is similar.

(viii) The Group's valuation ratios in terms of EV/EBITDA, P/NAV and P/NTA (as implied by the Issue Price) are higher and more favourable than the simple average and median for the Selected Comparable Companies. Meanwhile, the Group's valuation in terms of PER (as implied by the Issue Price) is lower than the simple average for the Selected Comparable Companies. The relatively lower PER should be reviewed in the light of the Group's better financial performance (in terms of ROE, net profit margin and asset turnover ratio as compared to the Selected Comparable Companies) but slightly higher financial leverage (as compared to the Selected Comparable Companies for both the ratio for total borrowings to shareholders' equity and total liabilities to shareholders' equity) as well as favourable EV/EBITDA valuation.

(ix) The relatively favourable comparison of the Issue Price against the IPO and the May 2013 Placement as set out in Section 5.10 of this Letter.

(e) The minimum dilution impact on existing public Shareholders' interest and the minimum reduction in the voting interest of the existing Public Shareholders pursuant to the Proposed Acquisition as set out in Section 5.3 of this Letter.

(f) The Proposed Acquisition (in terms of financial effects) will lower the EPS of the Group as the Target Company has a relatively short operating track record and had incurred a loss after tax in TFY2013 but will result in an increase in the Group's NTA per Share. We note that the Proposed Acquisition (excluding the financial effects of the General Mandate Placement and the Proposed Credence Placement) would lead to an increase in the Group's NTA per Share from approximately 4.93 US$ cents as at 31 December 2012 to approximately 9.16 US$ cents after taking into account the Target Group's audited NTA of approximately S$1.6 million as at 31 March 2013 (and not taking into account any proposed revaluation gain of approximately RM145 million) as well as the effect on NTA arising from the issuance of 26,000,000 Consideration Shares pursuant to the Proposed Acquisition. Notwithstanding the lower EPS, the Directors believe that the Proposed Acquisition represents a major strategic advancement of the Group's business and in the interest of and beneficial to the Group.

(g) The risk factors in connection with the Proposed Acquisition as set out in Section 2.6 of the Circular.

(h) No profit warranty has been provided by any party with respect to the future performance of the Target Group in connection with the Proposed Acquisition. There can be no assurance that the Target Group will be profitable in the long-term.

(i) As at the Latest Practicable Date, the Directors have confirmed that they are not aware of any firm/formal offer for alternative investment/business expansion or acquisition opportunity available to the Company, which is comparable in nature, size and scope to the Proposed Acquisition. The confirmation from the Directors that *inter alia*, the condition pertaining to the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession will not be waived, the Interim Cash Consideration and Consideration Shares will not be paid or issued (as the case may be) in the event that the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession is not obtained and the Final Cash Consideration will not be paid in the event that the final EIA Approval is not obtained. Furthermore, the Directors have confirmed that they are satisfied and confident that, in the event that the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession is obtained, the final EIA Approval will be forthcoming.

(j) Undertakings provided by Halcyon Agri Resources, Credence, Nut Hill Investments Ltd., Andrew Trevatt, Leonard Peter Silvio Beschizza, Robert Gunther Meyer and Pascal Guy Chung Wei Demierre (being shareholders who are collectively interested in shares representing approximately 58.17% of the Share capital as at the Latest Practicable Date), to vote in favour of the Resolution 1 relating to the Proposed Acquisition. Independent Shareholders should note that the resolution relating to the Proposed Acquisition is an ordinary resolution (which requires a simple majority). Pursuant to the undertaking as stated in Section 11.1 of the Circular, the resolution relating to the Proposed Acquisition will be passed.

(k) Other relevant consideration as set out in Section 5 of this Letter.

In summary, having regard to our analysis and the consideration in this Letter and subject to the qualifications and assumptions set out in this Letter including but not limited to the uncertainties, the Target Group's relatively short operating history and the losses incurred by the Target Group in TFY2013, the Market Value as ascribed by the Independent Valuer for the Concession of approximately RM145 million (which is slightly higher than the Purchase Consideration), the discount of the Purchase Consideration from the Target Group's Revalued NTA or Revalued NAV of approximately 4.0%, the valuation for Selected Target's Comparable Companies at an average premium of approximately 120.4% above their respective NTA as compared to the lower P/NAV and P/NTA ratios for the Target Group (as implied by the Purchase Consideration, the Revalued NAV and the Revalued NTA), the comparable valuation with the Selected IPT Acquisitions (on the basis of Purchase Consideration to NTA), the Issue Price and the Placement Price being similar, as well as the favourable valuation of the Group as compared to Selected Comparable Companies as implied by the Issue Price (in terms of EV/EBITDA, P/NAV, and P/NTA which is higher than the simple average and median for the Selected Comparable Companies and after taking into account the relatively lower valuation in terms of PER and the Group's better financial performance as compared to the Selected Comparable Companies), we are of the opinion that, based on the information available to us as at the Latest Practicable Date and on the assumption that the Environmental Impact Assessment Approval Letter will be issued and obtained and the Directors' confirmation on the matter, the terms of the Proposed Acquisition is on **normal commercial terms** in terms of comparisons with the Market Value as ascribed by the Independent Valuer and comparison with the Selected IPT Acquisitions.

Lastly, having regard to the potential financial effect of the Proposed Acquisition (excluding the financial effects of the General Mandate Placement and the Proposed Credence Placement) which whilst showing deterioration in EPS, will lead to higher NTA per Share, which we have reviewed together the representation and confirmation from the Directors that the Proposed Acquisition is in the interest and beneficial to the Group as it, *inter alia,* represents a major strategic advancement of the Group's business and is complementary to it's expansion into Malaysia, as well as the minimum dilution impact on existing public Shareholders pursuant to the Proposed Acquisition, we are of the view that based on the information available to us as at the Latest Practicable Date and on the assumption that the Environmental Impact Assessment Approval Letter will be issued and based on the Directors' confirmation on the matter, the terms for the Proposed Acquisition is **not prejudicial** to the interest of the Independent Shareholders and the Company in terms of comparisons with the Market Value as ascribed by the Independent Valuer and the Directors' view as at the Latest Practicable Date that the Proposed Acquisition is in the interest and beneficial to the Group.

Recommendation

Accordingly, we advise the Non-Interested Directors and the Audit Committee to recommend that Independent Shareholders vote **in favour of** the Proposed Acquisition to be proposed at the EGM, and to highlight to Independent Shareholders the matters as stated in our Letter and to exercise caution in their decision in relation to the resolutions for the Proposed Acquisition.

In performing our evaluation, we have not been provided with, and have not had access to, any financial projections or future plans or corporate actions (if any) of the Target Group, the Company, the Group and the Enlarged Group. The opinion set forth herein is based solely on publicly available information and information provided by the Directors and the Management and therefore does not reflect any projections or future financial performance of the Target Group or the Company or the Group after the completion of the Proposed Acquisition and is based on the assumption that the Environmental Impact Assessment Approval Letter will be issued and obtained and the Directors' confirmation on the matter as well as the economic and market conditions prevailing as of the date of this opinion. Our advice is solely confined to our views on the terms for the Proposed Acquisition as Interested Person Transaction.

Matters to highlight

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

(1) We have not made any independent evaluation of the Target Group (including without limitation, market value or economic potential) or appraisal of the Target Group's assets and liabilities (including without limitation, property, plant and equipment) or contracts entered into by the Target Group or the Group and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into by the Target Company or the Group save for the Valuation Certificate issued by the Independent Valuer in respect of the valuation of the Concession. With respect to such valuation, we are not experts in the evaluation (including without limitation, market value or economic potential) or appraisal of assets and liabilities (including without limitation, property, plant and equipment) including, *inter alia* the contracts or agreements that the Target Group or the Group has embarked upon or are about to embark upon and have relied on the opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.

(2) The Target Group has relatively short operating history. In arriving at our opinion, we wish to emphasize that the Directors have not provided us with any profit projections and we have, *inter alia*, relied on relevant statements contained in the Circular and/or the Company's announcements in relation to the Proposed Acquisition. In addition, Non-Interested Directors and Audit Committee should note that we have arrived at these conclusions based on information made available to us as at the Latest Practicable Date and the assumption that the Environmental Impact Assessment Approval Letter will be obtained. We assume no responsibility to update, review or reaffirm our opinions in the light of any subsequent development after the Latest Practicable Date.

We would like to highlight that we do not express any opinion on the commercial merits of the Proposed Acquisition, which remains the sole responsibility of the Directors of the Company. It is also not in our terms of reference to provide an opinion if there are other means through which the Group could carry out the Proposed Acquisition.

(3) As mentioned in Section 2.6 of the Circular, for successful implementation of its upstream expansion strategies, the Group will need to make significant initial investment in infrastructure and resources which may not result in the increase in volumes or margins that the Group has anticipated. The Group may be required to divert resources to resolve unexpected problems arising from such expansion plans. The Group may also not be able to generate return on its initial investments in the short term. In such circumstances, the Group's operating results and financial position may be adversely affected.

(4) We note that no profit warranty has been provided by any party with respect to the future performance of the Target Group in connection with the Proposed Acquisition. There can be no assurance that the Target Group will be profitable in the near future or in the long-term.

(5) We note from the Circular that Halcyon Agri Resources, Credence, Nut Hill Investments Ltd., Andrew Trevatt, Leonard Peter Silvio Beschizza, Robert Gunther Meyer and Pascal Guy Chung Wei Demierre being shareholders collectively interested in shares representing approximately 58.17% of the Share capital of the Company as at the Latest Practicable Date, have each undertaken to the Company to vote in favour of the Resolution 1 relating to the Proposed Acquisition.

Independent Shareholders should note that the resolution relating to the Proposed Acquisition is an ordinary resolution (which requires a simple majority). Pursuant to the undertaking as stated in Section 11.1 of the Circular, the Resolution relating to the Proposed Acquisition will be passed.

(6) We note from Section 2.4.5 of the Circular that the Vendors shall procure and ensure the issuance of the Environmental Impact Assessment Approval Letter or its equivalent in respect of the Concession by the Department of Environment, Kelantan or such appropriate Malaysian governmental body to the Target Group, by the Long-Stop Date. The Company shall make payment of the Final Cash Consideration to the Vendors on the seventh day after its issuance of notice to the Vendors notifying the receipt of the EIA Approval. It is further noted that in the event the EIA Approval is not granted to the Target Group by the Long-Stop Date, the Company has a right to waive the Vendors' obligation to procure the Environmental Impact Assessment Approval Letter and the Company shall be under no obligation to make payment of the Final Cash Consideration.

Based on the discussion with the Directors and the Management, we understand that the Environmental Impact Assessment Approval Letter is required in order for the Target Group to embark on the rubber plantation within the Concession. In the event that the Environmental Impact Assessment Approval Letter is not obtained, the Target Group will not be able to embark on the rubber plantation within the Concession. We wish to highlight that the Environmental Impact Assessment Approval Letter is a condition subsequent to the completion of the Proposed Acquisition and that upon completion of the Proposed Acquisition, the Company has the obligation to pay the Interim Cash Consideration and to issue the Consideration Shares.

The Directors have represented to us and confirmed the following:

(i) The Directors confirmed that the Company will not waive the condition pertaining to the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession;

(ii) The Directors confirmed that the Company will not pay the Interim Cash Consideration and will not issue the Consideration Shares in the event that the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession is not obtained;

(iii) The Directors are satisfied and confident that, in the event that the in-principle approval for the Preliminary Environmental Impact Assessment document in respect of the Concession is obtained, that the Environmental Impact Assessment Approval Letter will be forthcoming; and

(iv) The Directors confirmed that the Company will not make payment of the Final Cash Consideration in the event that the Environmental Impact Assessment Approval Letter is not obtained.

Specific Objectives

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profiles or particular or individual needs and constraints of any individual Independent Shareholder. As each Independent Shareholder or group of Independent Shareholders would have different investment objectives and profiles, we would advise the Non-Interested Directors and the Audit Committee to advise any individual Shareholder or group of Shareholders who may require specific advice in the context of investments in unlisted shares or his or their specific investment objectives or portfolio should consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

7. **ACTION TO BE TAKEN BY SHAREHOLDERS**

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's Registered Office at 250 North Bridge Road, #12-01 Raffles City Tower, Singapore 179101, not later than Tuesday, 10 December 2013 at 10.00 a.m., being 48 hours before the time fixed for the holding of EGM. Completion and return of the Proxy Form by a Shareholder will not preclude him from attending and voting at the EGM if he subsequently wishes to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

A depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP as at 48 hours before the EGM.

In addition, Independent Shareholders are advised to read Section 10 of the Circular and Notice of the EGM which has been enclosed with the Circular carefully so that the appropriate election on voting for or voting against can be made.

This Letter is addressed to the Non-Interested Directors and the Audit Committee in connection with and for the sole purpose of their evaluation of the Proposed Acquisition as an Interested Person Transaction and is not meant or intended to be an evaluation of the other resolutions to be proposed. Whilst a copy of this Letter may be included in the Circular, neither the Company nor the Directors nor any other party, may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of ACA in each specific case, except at the forthcoming EGM and for the sole purpose of the Proposed Acquisition. Nothing herein shall prevent the Company, its Directors or its Shareholders from reproducing, disseminating or quoting the IFA Letter without prior consent of the IFA for the purpose of any matter relating solely to the Proposed Acquisition; and /or prevent or exclude Shareholders from relying on the IFA letter in connection solely with the Proposed Acquisition, whether pursuant to the Contracts (Rights of Third Parties) Act Chapter 53B or otherwise. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters and the scope of our appointment stated herein and does not apply by implication to any other matter. Save as stated above, nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act Chapter 53B and any reenactment thereof shall not apply.

The recommendations made by the Non-Interested Directors and the Audit Committee to the Independent Shareholders in relation to the Proposed Acquisition as well as other resolutions referred to in the Circular (where applicable) and the issue of the Circular shall remain the sole responsibility of the Non-Interested Directors, the Audit Committee and the Directors respectively.

Yours faithfully,

For and on behalf of

ASIAN CORPORATE ADVISORS PTE. LTD.

H.K. LIAU
MANAGING DIRECTOR

FOO QUEE YIN
MANAGING DIRECTOR

VALUATION CERTIFICATE

C H Williams Talhar & Wong

WTW INTERNATIONAL

C H Williams Talhar & Wong Sdn Bhd (18149-U)

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Chartered Surveyors — International Property Consultants

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Muhd Kamal Mohamed
MBA, B.Sc., MRICS, MRISM, MPEPS

Consultants
Abdul Halim Othman
P'ng Soo Theng
Goh Tian Sui
Tew You Kian

Our Ref : WTW/09/V/001749/13/MKM

21st November 2013

PRIVATE & CONFIDENTIAL

Board of Directors
HALCYON Agri Corporation Limited
250, North Bridge Road
#12-01 Raffles City Tower
Singapore 179101

Dear Sirs

VALUATION CERTIFICATE
LOT NOS. PT 7575 AND PT 7576, MUKIM OF RELAI
(HUTAN SIMPANAN KEKAL LEBIR)
LOT NO. PT 5617, MUKIM OF ULU NENGGIRI
ALL IN THE DISTRICT OF GUA MUSANG
LOT NO. PT 4767, HUTAN SIMPANAN KEKAL ULU TEMIANG
MUKIM OF OLAK JERAM, DISTRICT OF KUALA KRAI, KELANTAN

We refer to your instructions to carry out a formal valuation on the above-mentioned properties in providing our opinion of Market Value for the purpose of inclusion in the circular to the shareholders of **HALCYON Agri Corporation Limited** ("**HALCYON**") in relation to the proposed acquisition by **HALCYON** of the entire issued and paid-up share capital of JFL Agro. Pte. Ltd ("**JFL**"), including its wholly owned subsidiaries, JFL Holdings Sdn. Bhd., JFL Agro Sdn. Bhd. and JFL Rubber Sdn. Bhd.

We have prepared and provided this Valuation Certificate which outlines key factors that have been considered in arriving at our opinion of Market Value and reflects all information known by us and based on present market conditions for the inclusion in the circular to shareholders in relation to the above proposed acquisition.

We have inspected the property on 7th November 2013 and 9th November 2013. The material date of valuation is taken as at 9th November 2013.

The valuation has been prepared in accordance with the requirements as set out in the International Valuation Standards 2011 issued by the International Valuation Standards Council (IVSC) and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The basis of the valuation is Market Value which is defined by the International Valuation Standards (IVS) and the Malaysian Valuation Standards (MVS) to be "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

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HALCYON Agri Corporation Limited

PROPERTY IDENTIFICATION

Property : 4 parcels of undeveloped agricultural land (secondary jungle land) with partly planted with immature oil palm trees.

Title Nos. : Not issued yet

Lot Nos. / Mukim / District / State / Land Area :

Land Details	Land Area	
	Hectares	Acres
PT 7575, Lebir Forest Reserve, Compartment 87, 88, 89, 90, 91, 99, 100, 101, 102, 104, 105 & 106 (partially), Mukim of Relai, District of Chiku, State of Kelantan	2,453.9	6,063
PT 7576, Lebir Forest Reserve, Compartment 33, 34, 35, 62 & 64, Mukim of Relai, District of Chiku, State of Kelantan	1,593	3,936
PT 4767, Ulu Temiang Forest Reserve, Mukim of Olak Jeram, District of Kuala Krai, State of Kelantan	2,023	5,000
PT 5617, Mukim Ulu Nenggiri, District of Bertam, State of Kelantan	3,775	9,328
Total Land Area	**9,844.9**	**24,327**

Tenure : Leasehold 99 years expiring on 30 November 2110 (Unexpired term of approximately 97 years)

Registered Owner : Tengku Muhammad Faris Petra Ibni Sultan Ismail Petra, Sultan Muhammad V

Encumbrances : Nil

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21st November 2013

HALCYON Agri Corporation Limited

TERMS OF REFERENCE

THE VALUATION IS CONDUCTED BASED ON THE FOLLOWING BASIS:-

i) **THE AREA STATED UNDER THE SCHEDULE II [SUBSECTION 6(2)] LEASE OF SULTANATE LANDS IN THE STATE OF KELANTAN IS APPROXIMATELY 9,844.9 HECTARES OR 24,327 ACRES;**

ii) **PART OF LOT PT 7575 MEASURING APPROXIMATELY 196.80 HECTARES HAS BEEN DEVELOPED AND PLANTED WITH IMMATURE OIL PALM TREES AS PER HECTERAGE STATEMENT IN OCTOBER 2013 MONTHLY REPORT;**

iii) **THE TERM OF THE LEASE IS FOR 99 YEARS EXPIRING ON 30 NOVEMBER 2110 WITH UNEXPIRED TERM OF APPROXIMATELY 97 YEARS.**

IN THIS VALUATION EXERCISE, WE WERE UNABLE TO ASCERTAIN THE EXACT SITE BOUNDARIES OF THE SUBJECT PROPERTY. IT IS ESTIMATED THAT THE LAND AREA AND THE SITE DIMENSIONS OF THE SUBJECT PROPERTY CORRESPOND WITH THE DETAILS SHOWN IN APPENDIX 1, 2, 3 & 4 AS ATTACHED TO THE SCHEDULE II [SUBSECTION 6(2)] LEASE OF SULTANATE LANDS IN THE STATE OF KELANTAN.

IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS WHICH ARE ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASIS IS INVALID/INCORRECT.

GENERAL DESCRIPTION

The subject property comprises four (4) parcels of undeveloped agricultural land (secondary jungle land) identified as Lot Nos. PT 7575, PT 7576, PT 4767 and PT 5617 all situated within Hutan Simpanan Kekal Lebir and Ulu Nenggiri in Gua Musang, Kelantan and Hutan Simpan Kekal Ulu Temiang in Kuala Krai, Kelantan. Based on our site inspection and information provided to us by the client, part of Lot PT 7575 measuring approximately 196.80 hectares (486.29 acres) has been planted with immature oil palm trees.

The site is irregular in shape with total land area of approximately 9,844.9 hectares (24,327 acres).

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HALCYON Agri Corporation Limited

GENERAL DESCRIPTION (Cont'd)

Based on Schedule II [Subsection 6(2)], Lease of Sultanate Lands in the state of Kelantan, the land area can be summarized as follows:-

Land Details	Land Area	
	Hectares	Acres
PT 7575, Lebir Forest Reserve, Compartment 87, 88, 89, 90, 91, 99, 100, 101, 102, 104, 105 & 106 (partially), Mukim of Relai, District of Chiku, State of Kelantan	2,453.9	6,063
PT 7576, Lebir Forest Reserve, Compartment 33, 34, 35, 62 & 64, Mukim of Relai, District of Chiku, State of Kelantan	1,593	3,936
PT 4767, Ulu Temiang Forest Reserve, Mukim of Olak Jeram, District of Kuala Krai, State of Kelantan	2,023	5,000
PT 5617, Mukim Ulu Nenggiri, District of Bertam, State of Kelantan	3,775	9,328
Total Land Area	**9,844.9**	**24,327**

The terrain is generally undulating to hilly, very hilly, steep and very steep terrain with several rivers runs within the subject site.

Vide a copy of the Soil Suitability Investigation For Rubber Cultivation dated 10 October 2013 as provided to us by the client, we noted that the plantable land area for the subject property are as follows:-

Project Area	Total Area (ha)	Plantable Area (ha)	% of Plantable Area
Ulu Temiang	2,023	1,820	90%
Lebir	2,452*	1,728	70.5%
Laloh	1,500*	1,039	69.3%
Nenggiri	3,753*	2,557	68.1%
Total	9,728	7,144	73.4%

Source: Report prepared by Dr. Lim Jit Sai – Ph.D. in Soil Science from Universiti Putra, Malaysia (formerly known as Universiti Pertanian, Malaysia)
Note:
*the land area stated is slightly different from the land area mentioned in the Schedule II [Subsection 6(2)] Lease of Sultanate Lands. In our valuation, we have adopted the land area stated in the Schedule II.

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HALCYON Agri Corporation Limited

GENERAL DESCRIPTION (Cont'd)

At the time of our inspection, the subject property was overgrowth with shrubs, bushes, thick undergrowth and wild growing trees, except for Lot No. PT 7575 which partly has been developed and planted with immature oil palm trees.

IN THIS VALUATION EXERCISE, WE WERE UNABLE TO ASCERTAIN THE EXACT SITE BOUNDARIES OF THE SUBJECT PROPERTY. IT IS ESTIMATED THAT THE LAND AREA AND THE SITE DIMENSIONS OF THE SUBJECT PROPERTY CORRESPOND WITH THE DETAILS SHOWN IN APPENDIX 1, 2, 3 & 4 AS ATTACHED TO THE SCHEDULE II [SUBSECTION 6(2)] LEASE OF SULTANATE LANDS IN THE STATE OF KELANTAN.

PLANNING PROVISIONS

The subject property is not designated for any specific use as per the Express Condition in the Schedule II [subsection 6(2)] Lease of Sultanate Lands, State of Kelantan.

MARKET OUTLOOK

World Demand and Supply of Natural Rubber

This is best shown in the following Table (A) and Chart (B).

Table A

PRODUCTION OF AND DEMAND FOR NATURAL RUBBER ('000 TONNES)

Producer Country	2000	2005	2010	2015	2020
Thailand	2,346	2,937	3,192	3,472	3,722
Indonesia	1,501	2,271	2,930	3,486	4,160
Malaysia	928	1,126	1,177	1,071	1,020
India	629	771	897	908	957
China	445	510	619	699	769
Vietnam	291	469	621	854	1,067
Sri Lanka	88	104	113	105	112
Philippines	67	79	110	150	210
Cambodia	42	45	59	99	164
Myanmar	32	55	86	116	146
Africa & Latin America	522	611	706	831	1,032
World Production	6,762	8,882	10,418	11,706	13,285
World Rubber (Natural & Synthetic) Consumption	18,500	21,000	25,000	28,000	31,800
World Demand Natural Rubber	7,290		10,788		13,800

Notes:
(1) International Planters Conference June'12 Kuala Lumpur
(2) All Other Figures from Asean Rubber Conference 2007, Phnom Penh
(3) 2010, 2015, 2020 Figures Projected

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MARKET OUTLOOK (Cont'd)

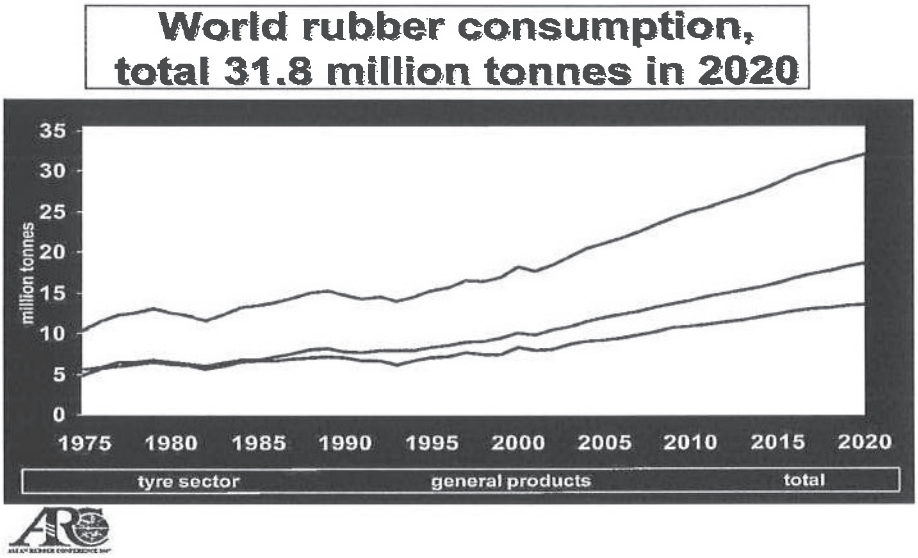

Chart B

From which can be seen that the demand for (consumption of) all rubber (natural (NR) and synthetic (SR)) is outstripping production. Even with the future share of NR in total consumption assumed to be 43.37% (2005 level), projected demand/consumption of 13.8 million tonnes (out of 31.8 million tonnes of all rubber (NR and SR) with 11 million tonnes just by China, the largest importer/buyer) will exceed the most optimistic world production of 13.285 million tonnes. This will mean further substitution with synthetic rubber (production cost co-related with petroleum oil prices) and/or higher prices for NR.

Rubber Cultivation in Malaysia

From being previously the world's top natural rubber producer, Malaysia has dropped to a distant 3rd because of the greater attractiveness/profitability of oil palm. The rubber industry has been transformed since the 1980s when the estate sector and a large portion of areas especially under the organised smallholding sector migrated from rubber and cocoa to oil palm planting. The overall total rubber planted areas also have been influenced by the decrease in the number of estates from 2002 to 2010. The annual growth rate on rubber planted area on estates was reduced by 3.2% per year. The rubber planted area owned by the smallholders also declined for the same period. The overall decrease of rubber planted area from 2005 to 2010 was 4.2% per year (Department of Statistics Malaysia, Annual Rubber Statistics Malaysia 2011).

MARKET OUTLOOK (Cont'd)

Rubber Cultivation in Malaysia (Cont'd)

This is best shown in the following table:-

Principal Statistics	2005	2010	Annual Growth Rate (%)
Total Rubber Planted Area (hectares)	1,257,315	1,012,981	-4.2
- **Estates**	58,708	9,866	-3.2
- **Smallholdings**	1,198,607	963,115	-4.3
Total NR Production (tones)	1,126,023	939,241	-3.6
- **Estates**	65,291	56,337	-2.9
- **Smallholdings**	1,060,732	882,904	-3.6
Import of NR (tones)	461,859	706,250	8.9
Exports of NR (tones)	1,128,000	900,770	-4.4
Domestic Consumption (tones)	386,472	457,854	3.4
Employment on estates (number)	11,781	10,557	-2.2
Salaries & wages (RM'000)	103,110	115,848	2.4

Source : Department of Statistics Malaysia, Annual Rubber Statistics Malaysia 2011

However, with sustained good prices since 2005 rubber has become an attractive crop again, especially the planting of latex-timber clones with rubber wood harvested at end of tapping life further contributing to value of rubber estates. In East Malaysia, rubber planting is also used for re-forestation as in the subject property. With plantation companies it is anticipated that there will be unlikely to be oil palm being replanted to rubber, with both fetching good prices. Smallholders will be producing bulk of Malaysian rubber. But large scale planting of LTCs (latex timber clones) rubber partly for re-forestation is being undertaken especially in Sarawak and Sabah, subject property being prime example.

The Economic Transformation Programme roadmap was launched in October 2010 with 12 National Key Economic Areas (NKEA) and 131 Entry Points Projects (EPP) (PEMANDU, 2012). Rubber was accepted into the Economic Transformation Programme (ETP) (PEMANDU, 2012) with four EPPs in the NKEA focusing on upstream, midstream and downstream sectors. The government decided to include rubber in ETP because of its potential impact on the nation's economy which was contrary to the earlier opinions of the panel established to draw up a recommendation to the government in November 2010, a rubber lab organised involving MRB and the rubber industry projected a sum of RM52.9 billion in GNI from the export value by 2020 which would be an increase of RM12.8 billion compared to revenue generated in 2011.

MARKET OUTLOOK (Cont'd)

Rubber Cultivation in Malaysia (Cont'd)

The four EPPs identified in the NKEA namely were increasing average national rubber productivity to 2,000 kg/ha/yr, ensuring sustainability of the upstream rubber industry, increase world market share of latex gloves to 65% and the commercialisation of Ekoprena and Pureprena-specialty rubbers created by the MRB.

The ETP for rubber has a profound impact on gross national income (GNI) and job opportunities. It was projected that the impact on GNI since the introduction of ETP in 2010 would be RM28.4 billion in revenue with 294,326 job opportunities created. Basically, there are three main scopes in ETP for rubber namely upstream development (EPP 1 and 2), growth of existing downstream products (EPP 3) and growth of new downstreams products (EPP 4). EPP 1 and 2 created the biggest job opportunities with a total of 264,766 workers but the highest GNI is from EPP 3 with RM20.75 billion, (International Planters Conference June '12, Kuala Lumpur).

MARKET VALUE

Method of Valuation

The subject property is valued using the Comparison Method. The Comparison Method entails analysing recent transactions and asking prices of similar properties in and around the locality for comparison purposes with adjustments made for differences in location, terrain, size and shape of land, tenure, title restrictions if any, cultivation and other relevant characteristics to arrive at the market value.

We have adopted the Comparison Method as the only method of valuation as the subject property is currently under secondary jungle whilst the area planted with oil palm estate is still in early stages (immature).

The sale evidences have been analysed and adjusted for the location, visibility / accessibility, size, tenure, planning approval, title restrictions (if any) and other relevant characteristics to arrive at the market value.

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MARKET VALUE (Cont'd)

Method of Valuation (Cont'd)

The analysis for agricultural land (secondary jungle) is summarised as follows:-

Comparables	Comparable 1	Comparable 2	Comparable 3
Source	Bursa Malaysia Announcement	Valuation and Property Services Department Malaysia	Valuation and Property Services Department Malaysia
Lot No	Lot Nos. 1401 to 1425 (inclusive)	PT 3712 and PT 4477 to PT 4479 (inclusive)	Lot 1515 and Lot 1518
Mukim	Pasir Raja	Ulu Nenggiri	Triang
District	Dungun	Gua Musang	Bera
State	Terengganu	Kelantan	Pahang
Location	Pasir Raja, Dungun, Terengganu	Gua Musang, Kelantan	Triang, Pahang
Land area (hectare)	2,024.785	1,614.49	814.429
Type/cultivation	Agricultural Land (secondary jungle)	Agricultural Land (secondary jungle)	90% vacant estate land & 10% abandoned tress & several squatters settlement
Tenure/Restriction	Leasehold 60 years expiring on 10 March 2063	Leasehold 60 years expiring on 24 March 2057	Term In Perpetuity
Vendor	Equiharvest Sdn Bhd	Ladang Mutiara Blau Sdn Bhd	City Land Sdn Bhd
Purchaser	TAHPS Group Berhad	Innopace (M) Sdn Bhd	Sierra Motivasi Sdn Bhd
Date of Transaction	17 January 2012	8 July 2010	2 May 2009
Consideration	RM24,545,000/-	RM8,500,000/-	RM23,000,000/-
Analyses Land Value (per hectare)	RM12,122/-	RM5,265/-	RM28,241/-
Adjustments	Upward • Time • Location • Tenure	Upward • Time • Tenure	Upward • Time
	Downward • Size	Downward • Size	Downward • Size • Cultivation • Tenure
Adjusted Land Value (per hectare)	RM17,426/-	RM7,568/-	RM17,156/-
Adjusted Land Value (per acre)	RM7,052/-	RM3,063/-	RM6,943/-

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MARKET VALUE (Cont'd)

Method of Valuation (Cont'd)

From the above analysis, the adjusted undeveloped agricultural land values ranges from RM7,568/- to RM17,426/- per hectare. We have considered Comparable No. 1 as the most appropriate comparable as this comparable was latest transaction in year 2012 and having similar characteristics to the subject property.

Therefore, we have adopted RM17,300/- per hectare or RM7,000/- per acre in our valuation for the plantable area and RM5,683/- per hectare or RM2,300/- per acre for non-plantable area.

For the area planted with the oil palm, we have considered the following transactions which have been summarised as follows:-

Comparables	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department Malaysia	Valuation and Property Services Department Malaysia	Valuation and Property Services Department Malaysia
Lot No	Lot Nos. 515, 516, 517, 518, 519, 805, 808, 809, 810, 812 & 818 (inclusive)	Lot Nos. 425, 426 & 427 (inclusive)	Lot No.1186
Mukim	Kuala Pahi	Telekong	Kuala Nal
District	Kuala Krai	Kuala Krai	Kuala Krai
State	Kelantan	Kelantan	Kelantan
Location	Kg Temalir, Kuala Pahi, Kuala Krai, Kelantan	Kg Che Wa, Telekong, Kuala Krai, Kelantan	Kg Kuala Nal, Kuala Krai, Kelantan
Land area (hectare)	39.893	13.80	37.119
Type/cultivation	Agricultural Land (oil palm)	Agricultural Land (oil palm)	Agricultural Land (abandoned oil palm)
Tenure/Restriction	Term In Perpetuity	Term In Perpetuity	Term In Perpetuity
Vendor	Kuala Pahi Plantation Sdn Bhd	Foo Say Can + 2 Others	Merpatih Resources Sdn Bhd
Purchaser	Soil World Sdn Bhd	Yu Gim San	Swee Hoe Plantation
Date of Transaction	25 September 2011	25 November 2010	22 December 2009
Consideration	RM3,943,048/-	RM1,684,500/-	RM2,568,132/-
Analyses Land Value (per hectare)	RM39,999/-	RM122,074/-	RM69,186/-
Adjustments	Upward • Time	Upward • Time	Upward • Time • Cultivation
	Downward • Location • Size • Cultivation • Tenure	Downward • Location • Accessibility • Size • Tenure	Downward • Location • Accessibility • Size • Tenure
Adjusted Land Value (per hectare)	RM46,257/-	RM43,947/-	RM44,971/-
Adjusted Land Value (per acre)	RM18,719/-	RM17,785/-	RM18,198/-

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MARKET VALUE (Cont'd)

Method of Valuation (Cont'd)

From the above analysis, the adjusted agricultural land (planted with oil palm) values ranges from RM43,947/- to RM46,257/- per hectare. We have considered Comparable No. 1 as the most appropriate comparable as this comparable was latest transaction in year 2011.

Therefore, we have adopted RM46,200/- per hectare or RM18,700/- per acre in our valuation for the planted area with oil palm trees.

Valuation

Taking into the above factors, we therefore assess the market value of the subject property with permission to transfer, lease, charge and free from all encumbrances is **RM145,000,000/- (Ringgit Malaysia: One Hundred and Forty Five Million Only)**.

This Certificate of Valuation should be read in conjunction with the aforesaid full Report and Valuation.

Yours faithfully
for and on behalf of
C H Williams Talhar & Wong Sdn Bhd

Sr MUHD KAMAL BIN MOHAMED
B. Est. Mgmt (Hons), MBA, MRICS, MRISM
Registered Valuer (V 428)

HALCYON AGRI CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200504595D)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of Halcyon Agri Corporation Limited (the "**Company**") will be held at RELC International Hotel, 30 Orange Grove Road (Off Orchard Road), Singapore 258352 on 12 December 2013 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTIONS

1. **RESOLUTION 1:**

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF JFL AGRO PTE. LTD. UNDER CHAPTERS 9 AND 10 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST (THE "CATALIST RULES") OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") AND THE PROPOSED ALLOTMENT AND ISSUANCE OF 26,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY ("SHARES") AS PART OF THE PURCHASE CONSIDERATION

THAT the acquisition by the Company (or such nominee of the Company) of the entire issued and paid up capital of JFL Agro Pte. Ltd. (the "**Target Company**") from Forlenza Investments Limited, Jewel Castle Limited and Laveyne Limited ("**LL**") (collectively the "**Vendors**") for aggregate purchase consideration of RM143,224,750 (the "**Proposed Acquisition**"), under the terms and conditions of the conditional share sale and purchase agreement dated 6 November 2013 entered into between the Company and the Vendors (the "**CSPA**") be and is hereby approved, and for this purpose:

(a) approval be and is hereby given to the Company to undertake the Proposed Acquisition in accordance with the CSPA;

(b) in connection with the Proposed Acquisition and for the purpose of Chapter 9 of the Catalist Rules of the SGX-ST, approval be and is hereby given for the Company, its subsidiaries and associated companies that are entities at risk (as defined in Chapter 9 of the Catalist Rules), or any of them, to enter into the Proposed Acquisition as an interested person transaction as set out in Section 2.8 of the Company's circular to shareholders dated 27 November 2013 (the "**Circular**");

(c) for the purpose of Chapter 10 of the Catalist Rules, approval be and is hereby given for the Company to acquire the Target Company, which is loss making based on its latest audited consolidated financial statements for the financial year ended 31 March 2013;

(d) approval be and is hereby given to the Company to issue and allot 26,000,000 Shares ("**Consideration Shares**") based on the issue price of S$0.72 per Consideration Share to the Vendors, out of which 6,500,000 Consideration Shares are to be issued to LL, an associate of the Company's controlling shareholder, Dato' Lynette Le Mercier, as partial consideration for the Proposed Acquisition in the manner described in the Circular; and

(e) the Directors of the Company and each of them be and are hereby authorised and empowered to do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Acquisition.

2. **RESOLUTION 2:**

PROPOSED ALLOTMENT AND ISSUANCE OF 12,500,000 NEW SHARES TO CREDENCE CAPITAL FUND II (CAYMAN) LIMITED

THAT for the purposes of Rule 812(1) and Rule 812(2) of the Catalist Rules, the proposed placement of up to 12,500,000 new ordinary shares in the capital of the Company ("**Placement Shares**") based on the issue price of S$0.72 per Placement Share (the "**Proposed Credence Placement**") under the terms and conditions of the placement agreement dated 6 November 2013 entered into between the Company and Credence Capital Fund II (Cayman) Limited (the "**Credence Placement Agreement**") be and is hereby approved, and for this purpose:

(a) approval be and is hereby given for the Company to undertake the Proposed Credence Placement in accordance with the Credence Placement Agreement, and

(b) the Directors of the Company and each of them be and are hereby authorised and empowered to do all such acts and things (including executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Credence Placement.

BY ORDER OF THE BOARD

Teo Meng Keong
Company Secretary
27 November 2013

Singapore

Notes:

1. A member of the Company entitled to attend and vote at the EGM of the Company is entitled to appoint not more than two proxies to attend in his stead. A proxy need not be a member of the Company.

2. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.

3. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy must be deposited at the Company's Registered Office at 250 North Bridge Road, #12-01 Raffles City Tower, Singapore 179101, not less than 48 hours before the time appointed for holding the EGM.

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HALCYON AGRI CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200504595D)

PROXY FORM

Important:

1. For investors who have used their CPF monies to buy HALCYON AGRI CORPORATION LIMITED shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

*I/We, ______________________ (Name) *NRIC/Passport/Co. Reg. No. ________________ of

____ (address) being a *member/members

of HALCYON AGRI CORPORATION LIMITED (the "**Company**"), hereby appoint:

Name	**Address**	**NRIC/Passport No.**	**Proportion of Shareholdings**	
			No. of Shares	**%**

*and/or

Name	**Address**	**NRIC/Passport No.**	**Proportion of Shareholdings**	
			No. of Shares	**%**

or failing him/her, the Chairman of the Extraordinary General Meeting ("**EGM**"), as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf and, if necessary, to demand a poll at the EGM of the Company to be held at RELC International Hotel, 30 Orange Grove Road (Off Orchard Road), Singapore 258352 on Thursday, 12 December 2013 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the resolution to be proposed at the EGM as indicate hereunder. (In the absence of specific directions, the proxy/proxies will vote or abstain as *he/they may think fit, as *he/they will on any other matter arising at the EGM.)

	Ordinary Resolutions	**Number of votes For****	**Number of votes Against****
Resolution 1	To approve the proposed acquisition of the entire issued and paid-up share capital of JFL Agro Pte. Ltd.		
Resolution 2	To approve the proposed placement of 12,500,000 new ordinary shares in the capital of the Company to Credence Capital Fund II (Cayman) Limited		

**Delete accordingly*
***Please indicate the number of votes as appropriate*

Date this ________ day of __________ 2013

Total Number of Shares held in :	
CDP Register	
Register of Members	

____
Signature(s) of Members(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at the general meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the member must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

4. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 250 North Bridge Road, #12-01 Raffles City Tower, Singapore 179101, not less than 48 hours before the time set for the general meeting.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the general meeting, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.