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**KINGSLAND GLOBAL LIMITED**  
**ARBN 605 944 198**

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**NOTICE OF ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held at 15 Kwong Min Road, Singapore on Tuesday, 17 September, 2019 at 10am SGT.

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*This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

**Independent Expert's Report:** Shareholders should carefully consider the Independent Expert's Report prepared for the purpose of Shareholder approval required under Listing Rule 10.1 (Refer to Resolution 5). The Independent Expert's Report comments on the fairness and reasonableness of the Transaction to the non-associated Shareholders. The Independent Expert has determined the Transaction is **FAIR AND REASONABLE** to the non-associated Shareholders.

**Should you wish to discuss any matter please do not hesitate to contact the Company Secretary (Australia) by telephone on +61 8 6555 2950.**

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# KINGSLAND GLOBAL LIMITED

ARBN 605 944 198

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## NOTICE OF GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Kingsland Global Limited (**Company**) will be held at 15 Kwong Min Road, Singapore on 17 September, 2019 at 10am SGT (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum forms part of this Notice.

The Directors have determined that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 13 September at 5pm SGT.

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

## AGENDA

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### 1. Annual Financial Statement

To consider the Annual Financial Statement of the Company and its controlled entities for the year ended 31 March 2019, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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### 2. Resolution 1 – Re-election of Sok Hang Chaw as a Director

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with article 81 of the Articles and for all other purposes, Sok Hang Chaw, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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### 3. Resolution 2 – Approval of Appointment of Auditor

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with section 205(2) of the Companies Act and for all other purposes, Kong, Lim & Partners LLP, having consented to act as the Company's auditor, is appointed as the Company's auditor effective from the date of the Meeting to hold office until conclusion of the next annual general meeting of the Company and the Directors be authorised to agree their remuneration."*

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#### 4. Resolution 3 – Approval of Directors' Fees

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution (as special business) the following:

*"That, pursuant to and in accordance with section 169 of the Companies Act and for all other purposes, to approve payment of the non executive Directors' fees of up to S\$150,000 per annum in aggregate for the financial year ending 31 March 2020 on the terms and conditions in the Explanatory Memorandum".*

##### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by a Director and any associates of a Director.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the CDI Voting Instruction Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the CDI Voting Instruction Form to vote as the proxy decides.

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#### 5. Resolution 4 – Approval to Issue Shares and Instruments

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution (as special business) the following:

*"That, pursuant to and in accordance with section 161 of the Companies Act and with regard to the Listing Rules, the Directors be authorised to:*

- (a) *issue Shares (whether by way of rights issue, bonus issue or otherwise);*
- (b) *make or grant offers, agreements or options (collectively, **Instruments**) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible or exchangeable into Shares; and*
- (c) *issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution is in force,*

*provided that:*

- (a) *the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution and including Shares which may be issued pursuant to any adjustment effected under any relevant Instruments) shall not exceed such limit as may be prescribed under the Listing Rules;*
- (b) *in exercising the power to make or grant Instruments (including the making of any adjustment under any relevant Instrument), the Company shall comply with the Listing Rules and regulations of the ASX for the time being in force (unless such compliance has been waived by ASX) and the Articles; and*

- (c) *unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier."*

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## 6. Resolution 5 – Approval of Disposal

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 10.1 and for all other purposes, Shareholders approve the disposal of the Company's interest in the One18 Joint Venture, on the terms and conditions detailed in the Explanatory Memorandum."*

### **Voting exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a party to the transaction; or
- (b) any associates of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the CDI Voting Instruction Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the CDI Voting Instruction Form to vote as the proxy decides.

To consider and, if thought fit, to pass with or without amendment, as an ordinary

**BY ORDER OF THE BOARD**

**Sok Hang Chaw**  
**Executive Chairman**  
**Dated: 19 August 2019**

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# KINGSLAND GLOBAL LIMITED

ARBN 605 944 198

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 15 Kwong Min Road, Singapore on 17 September, 2019 at 10am SGT.

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Financial Statement
Section 4	Resolution 1 – Re-election of Sok Hang Chaw
Section 5	Resolution 2 – Appointment of Auditor
Section 6	Resolution 3 – Approval of Directors' Fees
Section 7	Resolution 4 – Approval to Issue Shares and Instruments
Section 8	Resolution 5 – Approval of Disposal
Schedule 1	Definitions & Interpretation
Schedule 2	Independent Expert's Report

A CDI Voting Instruction Form is located at the end of this Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

#### 2.1 CDI Voting Instruction Form

A CDI Voting Instruction Form is attached to the Notice.

CDI Voting Instruction Forms must be received by Link Market Services, the Company's share registry, no later than 15 September at 10am SGT.

The CDI Voting Instruction Form provides further details on voting at the Meeting.

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### 3. Annual Financial Statement

The Annual Financial Statement must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Financial Statement.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Financial Statement which is available online at [www.kingslandglobal.sg](http://www.kingslandglobal.sg);
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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### 4. Resolution 1 - Re-election of Sok Hang Chaw

Article 81 of the Articles states that at any annual general meeting (subsequent to the first annual general meeting) of the Company, one-third of the Directors for the time being shall retire from office, while Regulation 86 provides that a retiring director may offer themselves for re-election. In addition, Listing Rule 14.5 states that an entity which has directors must hold an election of directors each year.

Sok Hang Chaw, a Director will retire from office and, being eligible, seeks election as a Director.

Sok Hang Chaw is the founder and the Executive Chairman of the Company and is based in Singapore. In 1978, Mr Sok founded Yee Cheong Seng Construction Co, a building and construction company.

In 1992, Mr Sok established Kingsland Development, a boutique design and construction service company, and under his leadership and vision, Kingsland Development evolved from a local construction company into the parent company of the "Kingsland Singapore Group", a property developer that has completed numerous project developments including a data center, factories, warehouses, offices and industrial buildings in Singapore and Malaysia.

Mr Sok has accumulated vast knowledge and experience in the property development space in Singapore and Malaysia and has an extensive network of local and multinational clientele.

Mr Sok is a director of the Cantonese Association (Singapore) and an active member of the Tzu Chi Foundation (Singapore).

As Executive Chairman, Mr Sok oversees the vision, objectives and the overall strategy of the Company.

Resolutions 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

The Board (excluding Sok Hang Chaw) supports the election of Sok Hang Chaw and recommends that Shareholders vote in favour of Resolution 1.

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## **5. Resolution 2 – Appointment of Auditor**

The current auditors, Kong, Lim & Partners LLP, Certified Public Accountants were appointed as auditors of the Company on 31 August 2018. Section 205(2) of the Companies Act states:

*"A company shall at each annual general meeting of the company appoint a person or persons to be the auditor or auditors of the company, and any auditor or auditors so appointed shall, subject to this section, hold office until the conclusion of the next annual general meeting of the company."*

Resolution 2 therefore seeks to appoint of Kong, Lim & Partners LLP as auditors of the Company with a fixed remuneration until the conclusion of the next annual general meeting of the Company.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

The Board supports the appointment of Kong, Lim & Partners LLP as auditors of the Company and recommends that Shareholders vote in favour of Resolution 2.

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## **6. Resolution 3 – Approval of Directors' Fees**

Section 169 of the Companies Act requires that Directors' fees for the year ending 31 March 2019 be approved by Shareholders.

Resolution 3 therefore seeks approval for the proposed maximum aggregate non-executive Directors' fees of S\$150,000 for financial year ended 31 March 2019.

The Remuneration Committee reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

A voting exclusion statement is included in the Notice for Resolution 3.

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## 7. Resolution 4 – Approval to Issue Shares and Instruments

Section 161 of the Companies Act requires that the issue of any new Shares or other securities in the Company be approved by Shareholders.

Resolution 4 therefore seeks approval for the Directors to be empowered to issue Shares or convertible securities in the Company from the date of the Meeting to the conclusion of the next annual general meeting of the Company or the date by which next annual general meeting for the Company is required by law to be held, whichever is the earlier.

This authority will, unless revoked or varied at a general meeting of the Company, expire at the conclusion of the next annual general meeting of the Company.

Resolution 4 is not seeking approval for:

- (a) the issue of securities in the Company pursuant to the requirements of Listing Rule 7.1 or Listing Rule 7.1A; or
- (b) the issue of securities to related parties, pursuant to the requirements of Listing Rule 10.11.

Resolution 4 will therefore be subject to the Listing Rules, in particular:

- (a) Listing Rule 7.1, which provides that the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period;
- (b) Listing Rule 10.11, which provides that the Company must not issue new securities to a related party without Shareholder approval; and
- (c) Listing Rule 10.14 which provides that the Company must not issue new securities under an employee share plan to a Director or an associate of a Director without Shareholder approval.

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

The Board recommends that Shareholders vote in favour of Resolution 4.

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## 8. Resolution 5 – Approval of Disposal

### 8.1 Background

Kingsland (KH) Development Co Ltd (**Kingsland Cambodia**), a wholly owned subsidiary of the Company, is a party to a joint venture agreement (**JVA**) with Max Credit Pawn Pte Lte (**Max Credit**) whereby Max Credit and Kingsland Cambodia contracted to jointly develop a 24 storey residential apartment complex (**One18 Residences**) in Phnom Penh (**One18 Joint Venture**). Further information regarding

the One18 Joint Venture is detailed in the Company's initial public offering prospectus available on the Company's website.

Max Credit is a company based in Cambodia which is licenced by the Ministry of Economic and Finance of the Kingdom of Cambodia to provide financial services in the country. Macalland Investment Pte Ltd (**Macalland**) controls 49% of the issued capital of Max Credit. Mr Jeremiah Lee, a Director, is a director of Macalland and controls 50% of the issued capital of Macalland.

Under the terms of the JVA:

- (a) Kingsland Cambodia is responsible for the planning, design and construction of the One18 Residences at its sole cost;
- (b) with the exception of any taxes payable in respect of the land where the One18 Residences are being constructed, unless otherwise agreed to by Max Credit, Max Credit is not required to contribute to the construction costs of the One18 Residences; and
- (c) on completion of the construction and development of the One18 Residences (**Construction Completion**), each of Max Credit and Kingsland Cambodia are entitled to receive 50% of the profits (before tax) received from the sale of the One18 Residences (**Profit Share**).

It is currently anticipated that Construction Completion will occur on or around 30 September 2019.

## 8.2 Overview of the Transaction

As announced to the ASX on 29 March 2019, Kingsland Cambodia has entered into an a supplemental agreement (**Agreement**) with Max Credit whereby Kingsland Cambodia has agreed that, following Construction Completion, Kingsland Cambodia will relinquish its right to the Profit Share and sell to Max Credit its rights, title and interest in the One18 Joint Venture (**JV Interest**). The consideration for the sale of the JV Interest is a total of US\$29,174,700 (**Consideration**). As announced to the ASX on 7 August 2019, Kingsland Cambodia and Max Credit entered into a variation agreement (**Variation Agreement**) whereby it was agreed that:

- (a) as at the date of the Variation Agreement, Kingsland Cambodia had received a part payment of the Consideration totalling US\$23,613,374.14 (**Initial Payment**);
- (b) the remaining balance of US\$5,561,325.86 of the Consideration will be paid to Kingsland Cambodia as follows:
  - (i) USD2,917,470, being a 10% retention sum of the Consideration, will be paid progressively over a twelve (12) month period commencing on the date of Construction Completion; and
  - (ii) USD2,643,855.86 will be paid progressively from the date of the Variation Agreement until 31 December 2019,

(together, the **Transaction**).

### **Conditions Precedent**

The Transaction is conditional upon the satisfaction of the following conditions precedent:

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- (a) Max Credit and Kingsland Cambodia passing all necessary resolutions required under relevant applicable laws; and
  - (b) Max Credit, Kingsland Cambodia and Kingsland passing all necessary regulatory, statutory and shareholder approvals,

to give effect to the Transaction (together, the **Conditions Precedent**).

Completion of the Transaction will occur within 14 days of the Construction Completion, or such other date as agreed between Max Credit and Kingsland Cambodia (**Transaction Completion**).

### **Key Terms**

Under the terms of the Agreement:

- (a) on Transaction Completion, Max Credit will acquire 100% of Kingsland Cambodia's rights, title, interests and benefits in the One18 Joint Venture and Max Credit will assume all of Kingsland Cambodia's obligations and responsibilities under the JVA;
- (b) Kingsland Cambodia shall continue to perform and discharge its obligations under the JVA until Transaction Completion;
- (c) until Transaction Completion, Kingsland Cambodia will be responsible for the costs of the construction and development of the One18 Residences with the exception of any amount that exceeds US\$20,621,700 (**Construction Cap**);
- (d) if Kingsland Cambodia incurs constructions costs in excess of the Construction Cap, Max Credit will pay the excess amount to Kingsland Cambodia within 14 days of the date Kingsland Cambodia notifies Max Credit of the excess costs (such an amount will be in addition to the Consideration);
- (e) from Transaction Completion, Kingsland Cambodia shall have no further rights, duties or obligations arising out of the One18 Joint Venture; and
- (f) in the event the Conditions Precedent are not satisfied and Transaction Completion does not occur:
  - (i) the Company will retain its JV Interest and the One18 Joint Venture will continue on the terms set out in the JVA; and
  - (ii) any funds payable to Kingsland Cambodia under the terms of the JVA will be remitted to Max Credit until the Initial Payment is repaid in full.

### **8.3 Use of Funds**

As at the date of this Notice the Company has spent the Initial Payment, of which approximately:

- (i) \$1,700,000 was spent on the development and construction of the One18 Residences;
- (ii) \$9,300,000 was spent on the development and construction of the Phnom Penh City Centre Project;

- (iii) \$11,800,000 was spent on the repayment of loan amounts, which were announced to the ASX on 30 April 2019 (**Loan Amounts**), and are now repaid in full; and
- (iv) \$800,000 has been spent on operational expenses of the Company.

#### **8.4 Rationale for the Transaction**

The Board believes that the Transaction is compelling for the Company financially and operationally. The sale of the Company's interest in the One18 Joint Venture pursuant to the Transaction:

- (a) allows the Company to immediately realise the value of its investment in the One18 Joint Venture, as opposed to waiting for the sales of the One18 Residences;
- (b) has allowed the Company to repay Loan Amounts;
- (c) provides working capital for the further development of the Company's flagship project, the Phnom Penh City Centre Project; and
- (d) provides general working capital for the Company.

#### **8.5 Listing Rule 10.1**

Listing Rule 10.1 relevantly provides that an entity (or any of its subsidiaries) must not acquire a substantial asset from, or dispose of a substantial asset to, a related party or a substantial holder (if the person and the person's associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities).

An asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the company as set out in the latest accounts given to ASX under the Listing Rules.

As announced to the ASX on 30 April 2019, ASX made a determination that the disposal of the JV Interest to Max Credit constitutes the disposal of a "substantial asset" to a related party for the purpose of Listing Rule 10.2 by virtue of the fact that Mr Jeremiah Lee, being a Director, is also a director of Macalland, which in turn controls 49% of the issued capital of Max Credit. Mr Lee also controls 50% of the issued capital of Macalland. As such, ASX exercised its discretion under Listing Rule 10.1.5 to require the Company to seek shareholder approval for the Transaction pursuant to Listing Rule 10.1.

Accordingly, Shareholder approval is being sought for the purposes of Listing Rule 10.1 to sell the JV Interest to Max Credit.

#### **8.6 Conclusion of Independent Expert's Report**

In accordance with Listing Rule 10.10.2, the Independent Expert's Report on the Transaction has been commissioned from the Independent Expert. That report has examined whether the Transaction is fair and reasonable to the Shareholders whose votes are not to be disregarded on this Resolution 5.

The Independent Expert has concluded that, in the absence of a superior alternative and based on the matters outlined in the report, the Transaction is fair and reasonable to these non-associated Shareholders. The Independent Expert's Report (setting out the Independent Expert's reasons and conclusions) is set out in Schedule 2 of this

Notice. Shareholders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the assessment, the sources of information and the assumptions made.

## **8.7 Recommendation and Additional Information**

The Board (with the exception of Mr Lee) unanimously recommends that Shareholders vote in favour of this Resolution 5. Each Director presently intends to vote any Shares they hold or control in favour of Resolution 5.

Resolution 5 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 5.

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## Schedule 1 – Definitions and Interpretation

### 1. Definitions

In the Notice and this Explanatory Memorandum, unless the context otherwise requires:

**Agreement** has the meaning given in Section 8.2.

**Annual Financial Statement** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial period ended 31 March 2019.

**Articles** means the memorandum and articles of association of the Company from time to time.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Limited.

**ASX Settlement Rules** means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors from time to time.

**Chairperson** means the person appointed to chair the Meeting.

**CDI** means CHESS Depository Interests issued by CDN, where each CDI represents a beneficial interest in one Share.

**CDI Voting Instruction Form** means the CDI voting instruction form attached to the Notice.

**CDN** means CHESS Depository Nominees Pty Ltd (ABN 75 071 346 506) (AFSL 254514), in its capacity as depository of the CDIs under the ASX Settlement Rules.

**Companies Act** means the Companies Act (Cap.50) of Singapore.

**Company** means Kingsland Global Limited ARBN 605 944 198 (Unique Entity Number (UEN): 201523877H).

**Conditions Precedent** has the meaning given in Section 8.2.

**Consideration** has the meaning given in Section 8.2.

**Construction Completion** has the meaning given in Section 8.2.

**Director** means any director of the Company and **Directors** means all of them.

**Directors' Report** means the annual directors' report of the Company and its controlled entities.

**Explanatory Memorandum** means this explanatory memorandum.

**Financial Report** means the annual financial report of the Company and its controlled entities.

**Independent Expert** means Moore Stephens Perth Corporate Services Pty Ltd.

**Independent Expert's Report** means the report prepared by the Independent Expert and set out in this Notice at Schedule 2.

**Initial Payment** has the meaning given in Section 8.2.

**Instruments** has the meaning given in Resolution 8.

**JVA** has the meaning given in Section 8.1.

**JV Interest Agreement** has the meaning given in Section 8.2.

**Kingsland Cambodia** has the meaning given in Section 8.1.

**Listing Rules** means the official listing rules of the ASX.

**Loan Amounts** has the meaning given in Section 8.3.

**Macalland** has the meaning given in Section 8.1.

**Max Credit** has the meaning given in Section 8.1.

**Meeting** means the general meeting of the Company be held at 15 Kwong Min Road, Singapore on 17 September, 2019 at 10am SGT.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the CDI Voting Instruction Form.

**One18 Joint Venture** has the meaning given in Section 8.1.

**One18 Residences** has the meaning given in Section 8.1.

**Profit Share** has the meaning given in Section 8.1.

**Resolution** means any resolution detailed in the Notice as the context requires.

**S\$** means Singapore dollar.

**Schedule** means a schedule to the Notice.

**Section** means a section of this Explanatory Memorandum.

**SGT** means Singapore Standard Time.

**Share** means a fully paid ordinary share in the capital of the Company or a CDI, as applicable.

**Shareholder** means a holder of a Share (including CDN in its capacity as depositary of the CDIs under the ASX Settlement Rules), or holder of a CDI, as applicable.

**Transaction** has the meaning given in Section 8.2.

**Transaction Completion** has the meaning given in Section 8.2.

**US\$** means United States dollar.

## 2. Interpretation

In the Notice and this Explanatory Memorandum, headings and words in bold are for convenience only and do not affect the interpretation of the Notice and this Explanatory Memorandum and, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in the Notice or this Explanatory Memorandum have a corresponding meaning;
- (d) a term not specifically defined in the Notice or this Explanatory Memorandum has the meaning given to it (if any) in the Companies Act;
- (e) a reference to a statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances or by-laws amending, consolidating or replacing it, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (g) a reference to a body (including, without limitation, an institute, association or authority), whether statutory or not:
  - (i) which ceases to exist; or
  - (ii) whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions; and
- (h) **"include"** and **"including"** are not words of limitation.

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**Schedule 2 – Independent Expert's Report**

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## Kingsland Global Ltd

Independent Expert's Report  
and Financial Services Guide  
7 August 2019

**The Proposed Transaction is both fair and reasonable to Non-Associated Shareholders**

**Prepared by Moore Stephens Perth Corporate Services Pty Ltd  
Australian Financial Services License No. 240773**

MOORE STEPHENS PERTH CORPORATE SERVICES PTY LTD

Australian Financial Services License No. 240773

FINANCIAL SERVICES GUIDE

This Financial Services Guide is issued in relation to our Independent Expert's Report on the proposed sale of One18 Residences joint venture project ("One18 Residences") by Kingsland Global Ltd ("Kingsland") to Max Credit Pawn Pte Ltd ("Max Credit"), for the sale price of US\$29.1747 million (the "Proposed Transaction"). Our report has been prepared at the request of the Directors of Kingsland for inclusion in the Notice of Meeting to be dated on or about 30 August 2019

**Moore Stephens Perth Corporate Services Pty Ltd**

Moore Stephens Perth Corporate Services Pty Ltd ("MSPCS") has been engaged by the directors of Kingsland to prepare an independent expert's report expressing our opinion as to whether or not the Proposed Transaction is "fair and reasonable" to the shareholders of Kingsland.

MSPCS holds an Australian Financial Services Licence – Licence No 240773.

**Financial Services Guide**

As a result of our report being provided to you we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

**Financial Services we are licensed to provide**

We hold an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with the issue of securities of a company or other entities.

Our report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our report as a retail client because of your connection with the matters on which our report has been issued. We do not accept instructions from retail clients and do not receive remuneration from retail clients for financial services.

Our report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in this report.

**General Financial Product Advice**

Our report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives either financial or otherwise, your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the Proposed Transaction may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

**Benefits that we may receive**

We will charge fees for providing our report. The basis on which our fees will be determined has been agreed with, and will be paid by, the person who engaged us to provide the report. Our fees have been agreed on either a fixed fee or time cost basis. We estimate that our fees for the preparation of this report will be approximately \$15,000 plus GST.

**Remuneration or other benefits received by our employees**

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of MSPCS or related entities but any bonuses are not directly in connection with any assignment and in particular are not directly related to the engagement for which our report was provided.

**Referrals**

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that we are licensed to provide.

**Associations and relationships**

MSPCS is the licensed corporate advisory arm of Moore Stephens Perth, Chartered Accountants. The directors of MSPCS may also be partners in Moore Stephens Perth Chartered, Accountants.

Moore Stephens Perth, Chartered Accountants is comprised of a number of related entities that provide audit, accounting, tax, and financial advisory services to a wide range of clients.

MSPCS's contact details are set out on our letterhead.

Neither MSPCS nor its related entities have previously provided any professional services to Kingsland or Max Credit.

**Complaints resolution**

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, Moore Stephens, PO Box 5785, St George's Terrace, Perth WA 6831.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical.

If we cannot reach a satisfactory resolution, you can raise your concerns with the Australian Financial Complaints Limited ("AFC"). AFC is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. MSPCS is a member of AFC. AFC may be contacted directly via the details set out below.

Australian Financial Complaints Limited  
 GPO Box 3  
 Melbourne VIC 3001  
 Toll free: 1300 78 08 08  
 Facsimile: 03 9613 6399  
 Email: [info@fos.org.au](mailto:info@fos.org.au)

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7 August 2019

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The Directors  
Kingsland Global Ltd  
15 Kwong Min Road  
Singapore, 628718

Dear Directors

## INDEPENDENT EXPERT'S REPORT

### 1. INTRODUCTION

- 1.1 On 29 March 2019, Kingsland Global Ltd (ASX:KLO) ("Kingsland" or "the Company") announced that it had entered into an agreement with Max Credit Pawn Pte Ltd ("Max Credit"), for the sale of all of its interests in the One18 Residences joint venture ("One18 Residences") for consideration of US\$29,174,700 ("Consideration") (the "Proposed Transaction").
- 1.2 Under the terms of the current joint venture agreement in respect to One18 Residences between Kingsland Cambodia and Max Credit ("JVA"), each joint venture party is entitled to receive 50% of the profits resulting from the sale of One18 Residences. By entering into the Agreement, Kingsland Cambodia has elected to forgo such profits and is selling its interest in the JVA for the aforementioned consideration to Max Credit. One18 Residences is nearing completion.
- 1.3 Further details of the Proposed Transaction are set out in Section 4.

### 2. SUMMARY & OPINION

#### Opinion

- 2.1 We have considered the terms of the Proposed Transaction as outlined in the body of our report and have concluded that the Proposed Transaction is both fair and reasonable to the Shareholders of Kingsland.
- 2.2 In our opinion, the Proposed Transaction is fair because under the Proposed Transaction the value of consideration received for Kingsland's interest in One18 Residences exceeds the market value of One18 Residences as determined by CBRE. We also consider the Proposed Transaction to be reasonable on the basis that the Proposed Transaction provides a liquidity injection into Kingsland, which will be used for operational and growth requirements. Further, if the company does not transact the asset now it will still be required to find a buyer which will add further expense to the project.

#### Purpose of the Report

- 2.3 Listing rule 10.1 provides that an entity must not, without the approval of shareholders but subject to certain exceptions, acquire a "substantial asset" from, or dispose of a substantial asset to, a substantial shareholder or an associate of a substantial holder in the entity, if the substantial holder and its associates have a relevant interest, or had a relevant interest at any time in the 6 months before the transaction, in at least 10% of the total votes attached to the voting securities in the entity.

- 2.4 A “substantial asset” is an asset that has a value in excess of 5% of the entity’s equity interests as set out in the latest accounts given to ASX under the listing rules. In the context of the Company, that threshold is approximately S\$1,490,066 (US\$1,102,649) at the date of the last set of financial statements provided to the ASX (31 March 2019).
- 2.5 The substantial shareholder for the purposes of this report is Mr. Jeremiah Lee Kok Heng (Managing Director of Kingsland) who currently holds 24.5% of the issued share capital of Max Credit.
- 2.6 Listing Rule 10.10 provides that a notice of meeting under rule 10.1 must include a report on the transaction from an independent expert. With the report stating the expert’s opinion as to whether the transaction is fair and reasonable to the holders of the entity’s ordinary securities whose votes are not to be disregarded.
- 2.7 The Directors of Kingsland Limited have engaged Moore Stephens Perth Corporate Services Pty Ltd (“MSPCS”) being independent and qualified for the purpose, to prepare an Independent Expert’s Report to express an opinion as to whether or not the Proposed Transaction is fair and reasonable to the shareholders of Kingsland Limited.

#### Approach

- 2.8 Our assessment of the Proposed Transaction relies on financial information and instructions provided by the Company and the Directors. We have critically analysed the information provided to us, but we have not completed any audit or due diligence of the information which has been provided for the entities which have been valued. This report does not contain any accounting or taxation advice.
- 2.9 Our report has been prepared having regard to Australian Securities & Investments Commission (“ASIC”) Regulatory Guide 111 Content of Expert’s Reports (“RG 111”) and Regulatory Guide 112 Independence of Expert’s (“RG 112”).
- 2.10 In arriving at our opinion, we have assessed the terms of the Proposed Transaction, as outlined in the body of our report, by considering the following;
- How the value of Kingsland’s 50% interest in the One18 Residences compares to the consideration received for said interest.
  - The likelihood of a superior alternative Proposed Transaction being available to Kingsland;
  - Other factors which we consider to be relevant to the shareholders of Kingsland in their assessment of the Proposed Transaction; and
  - The position of the shareholders of Kingsland should the Proposed Transaction not be successful.

Further information on the approach we have employed in assessing whether the Proposed Transaction is “fair and reasonable” is set out at Section 4 of this Report.

Fairness

2.11 Our assessment of the value of Kingsland’s 50% interest in One18 Residences and the Consideration, are summarised in the table and figure below.

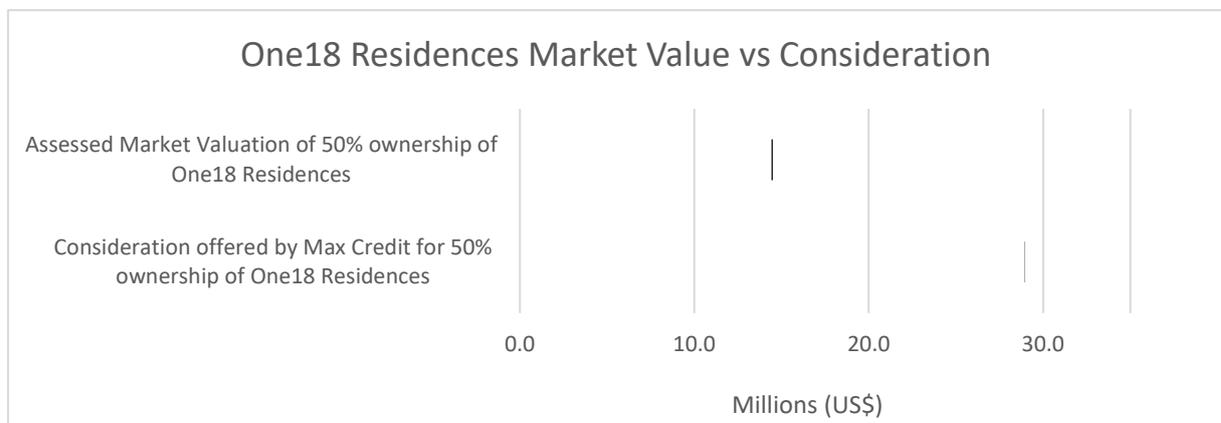
Table 1: Assessed values of Kingsland’s 50% interest in One18 Residences and the Consideration

	Section	Low US\$	High US\$
Assessed Market Valuation of 50% ownership of One18 Residences	9	14,425,000	14,500,000
Consideration offered by Max Credit for 50% ownership of One18 Residences	10	28,982,332	29,174,700

Source: Moore Stephens analysis

2.12 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of complying with Listing Rule 10.1, we consider the Proposed Transaction fair to the Non-Associated Shareholders of Kingsland, as the Consideration is greater than the value of Kingsland’s 50% interest in One18 Residences.

Figure 1: Pre and post Proposed Transaction valuations of a Kingsland share



Source: Moore Stephens analysis

Reasonableness

- 2.13 We have considered the analysis in Section 11 of this report, in terms of both;
- Advantages and disadvantages of the Proposed Transaction;
  - Other considerations if the Proposed Transaction is approved and the position of shareholders of Kingsland if the Proposed Transaction is not approved.
- 2.14 In our opinion, if the Proposed Transaction is approved the position of shareholders is more advantageous than their position if the Proposed Transaction is not approved. Accordingly, in the absence of a superior Proposed Transaction we believe that the Proposed Transaction is reasonable for shareholders of Kingsland.

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2.15 The advantages and disadvantages considered are summarised below:

Advantages	Disadvantages
The proposed transaction is fair	Kingsland will not be exposed to any future uplift in value from One18 Residences
Sale of the One18 Residences for cash creates liquidity for investment	Kingsland will not have to find buyers for the project
Increased cash balance decreases the likelihood of a future capital raise in the near term	

2.16 Other key matters we have considered include:

**OTHER KEY MATTERS**

Alternate proposals: We are not aware of any alternative proposals that may provide a greater benefit to the Non-Associated shareholders of Kingsland

If the Proposed Transaction is not approved, then the Company may have to raise capital to support its business operations.

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### 3. SCOPE OF THE REPORT

#### Regulatory guidance

- 3.1 Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

#### Adopted basis of evaluation

- 3.2 RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to approve the Proposed Transaction in the absence of any higher bid.
- 3.3 Having regard to the above, MSPCS has completed this comparison in two parts:
- A comparison between the value of Kingsland's 50% interest in One18 Residences and the Consideration (fairness – see Section 11 – Assessment of Fairness); and
  - An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Proposed Transaction, after reference to the value derived above (reasonableness – see Section 12 -Assessment of Reasonableness).
- 3.4 This assignment is also considered to be a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').
- 3.5 A Valuation Engagement is defined by APES 225 as follows:
- 'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'
- 3.6 This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

#### 4. OUTLINE OF THE PROPOSED TRANSACTION

- 4.1 On 29 March 2019, Kingsland Global Ltd ("Kingsland" or "the Company") announced that Kingsland (KH) Development Co Ltd ("Kingsland Cambodia"), its wholly owned subsidiary, had entered into an agreement ("Agreement") with Max Credit Pawn Pte Ltd ("Max Credit"), for the sale of all of its interest in the One18 Residences joint venture ("One18 Residences") for consideration of US\$29,174,700.
- 4.2 Under the terms of the joint venture agreement in respect to One18 Residences between Kingsland Cambodia and Max Credit ("JVA"), each joint venture party is entitled to receive 50% of the profits resulting from the sale of One18 Residences. By entering into the Agreement, Kingsland Cambodia has elected to forgo such profits and is selling its interest in the JVA for the aforementioned consideration to Max Credit. One18 Residences is currently near completion.
- 4.3 As at the date of this Report, Max Credit had paid US\$23.6 million to Kingsland Cambodia and will pay the remaining purchase price in instalments in accordance with the schedule (detailed below).
- 4.4 The purchase price payable by Max Credit is the sum of US\$29,174,700 to be paid as follows:

Timing of Payments	Amount (US\$)
Already paid	23,613,374
Progressively to 31 December 2019	2,643,856
Progressively over a 12 month period following Development Completion	2,917,470
<b>Total</b>	<b>US\$29,174,700</b>

- 4.5 Kingsland Cambodia shall continue to perform and discharge its obligations under the JVA until the completion of the development of One18 Residences and will continue to incur the construction costs in respect to the development of One18 Residences (these costs are not expected exceed US\$500,000);
- If the construction costs of One18 Residences exceed US\$20,621,700, Kingsland will be entitled to receive the difference between the actual construction costs and US\$20,621,700 within 14 days of the date of notice (such amount will be in addition to the consideration of US\$29,174,700); and
  - At completion of the Agreement, Kingsland Cambodia shall have no further rights, duties or obligations arising out of the JVA.
- 4.6 Completion under the Agreement is conditional on (amongst other matters):
- The parties passing all necessary resolutions under relevant applicable laws to authorise the sale and purchase;
  - Kingsland obtaining all requisite regulatory, statutory and shareholder approvals (if any),

#### Rationale for the Proposed Transaction

- 4.7 Kingsland currently has a low cash balance; by selling One 18 Residences, the Company can create a liquidity event in a previously non-liquid (non-current) asset and generate valuable cashflow to continue operations and fund future acquisition and project development.
- 4.8 The offer from Max Credit pursuant to the Proposed Transaction is significantly above the market value assessed by the expert valuer conducted by CBRE, providing further reasoning for Kingsland selling all of its interests in One 18 Residences

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## 5. PROFILE OF KINGSLAND

- 5.1 Kingsland Global is an investment holding company, engaging in the property development business primarily in Cambodia and Malaysia. The company develops residential and commercial projects, including boutique hotels and serviced apartments; retail projects, such as shopping malls; aged care facilities; and industrial parks and office spaces. It also offers business and management consultancy services. The company was founded in 1978 and is headquartered in Singapore.
- 5.2 The company has multiple completed and ongoing projects, including:

### Completed Projects:

- Lumiere Hotel/228 Oknha Peich – Located in Khan Penh District in Phnom Penh, Cambodia. The hotel comprises of 13 storeys with 99 rooms and 3 classes of suites, comprising a total floor space of 5,340 square meters.

### Ongoing Projects:

- One18 Residences (Lumiere Residences) - Located in 7 Makara in Phnom Penh, Cambodia which is 2km from the central business district. The serviced apartment comprises of 24 storeys. The project is expected to be operationally ready by 2<sup>nd</sup> half 2019.
- IT Media Hub – On 2 November 2016 Kingsland announced that it had entered into a Joint Venture with Urban Global Co Ltd (“Urban”) to develop an IT and Media hub in Phnom Penh, Cambodia. The Global ITMH Data Centre’s vision is to be the kingdom’s first step towards a Smart City. The project is past the foundation stage and currently at the work of casting concrete on the 1<sup>st</sup> floor core wall.
- Phnom Penh City Centre – The planned development will take place over 10,000 square meters of real estate located in the Central Business District of Phnom Penh, Cambodia. The development is envisaged to encompass office towers, retail outlets, a hotel and a convention centre. The development has broken ground and is currently at the foundation stage.

- 5.3 The current board of directors are;

- Mr. Sok Hang Chaw – Executive Chairman
- Mr. Jeremiah Lee Kok Heng – Managing Director
- Ms. Shann Sok Aixuan – Non-Executive Director
- Mr. Zane Robert Lewis – Non-Executive Director and Company Secretary

- 5.4 At 13 June 2019, Kingsland has a market capitalisation of \$32.2 million. Cash and cash equivalents as at 31 March 2019 were S\$0.911 million.

## Financial Position

5.5 We set out the financial position of Kingsland below.

Table 2: Historical Statement of Financial Position of Kingsland

Consolidated Statement of Financial Position				
	Ref	Audited 31-Mar-19 S\$	Reviewed 30-Sep-18 S\$	Audited 31-Mar-18 S\$
<b>ASSETS</b>				
<b>Current Assets</b>				
Inventory	(a)	-	1,634,873	1,679,301
Development property	(b)	1,643,640	6,547,015	3,832,017
Contract assets	(c)	28,338,935	5,039,755	5,092,684
Trade and other receivables	(d)	9,160,291	3,073,098	2,335,901
Prepayments		64,481	1,445,190	1,409,528
Tax recoverable		429,509	427,218	457,283
Cash and cash equivalents	(e)	911,066	449,514	930,289
<b>Total Current Assets</b>		<b>40,547,922</b>	<b>18,616,663</b>	<b>15,737,003</b>
Property, plant and equipment	(f)	50,451	55,738	62,845
Investment in subsidiaries		-	-	-
Other receivables	(d)	-	17,197,445	9,778,404
Investment in joint ventures	(g)	26,781,728	-	-
Amount due from related parties	(b)	-	4,865,353	1,859,054
<b>Total Non-Current Assets</b>		<b>26,832,179</b>	<b>22,118,536</b>	<b>11,700,303</b>
<b>Total Assets</b>		<b>67,380,101</b>	<b>40,735,199</b>	<b>27,437,306</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	(h)	9,923,210	14,856,050	874,837
Amount due to holding company		39,991	-	43,053
Retention payable	(i)	1,316,950	486,121	681,950
Amount due to director	(j)	2,588,252	-	655
Contract payable		-	798,023	1,455,308
Provision for taxation		2,214,970	90,126	846,660
<b>Total Current Liabilities</b>		<b>16,083,373</b>	<b>16,230,320</b>	<b>3,902,463</b>
<b>Non-Current Liabilities</b>				
Trade and other payables	(h)	15,940,210	-	-
Amount due to holding company		5,555,196	-	-
<b>Total Current Liabilities</b>		<b>21,495,406</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>37,578,779</b>	<b>16,230,320</b>	<b>3,902,463</b>
<b>NET ASSETS</b>		<b>29,801,322</b>	<b>24,504,879</b>	<b>23,534,843</b>
<b>EQUITY</b>				
Share capital		12,554,207	12,554,207	12,554,207
Share application monies		-	-	4,458,144
Retained earnings		5,911,944	950,210	366,528
Other reserve		9,132,228	9,132,229	5,593,871
Foreign current translation reserve		(70,673)	(47,735)	(137,062)
Non-controlling interest		2,273,616	2,185,968	699,155
<b>TOTAL EQUITY</b>		<b>29,801,322</b>	<b>24,774,879</b>	<b>23,534,843</b>

Source: FY 18 Annual Report and HY 19 Interim Report prepared by Kingsland

5.6 We note the following in regard to Kingsland Financial Position as at 31 March 2019:

- a. Inventory relates to property which has been developed for sale but is yet to have been sold. The property is carried at cost, with adjustment for exchange differences. The inventory item has been held from the 31 March 2016 accounts onwards. The balance has been classified under development asset in the 31 March 2019 accounts.
- b. Development properties comprise properties in the course of development and completed properties held for sale. These properties have operating cycles longer than one year. This balance reduced upon the sale of One18 Residences.
- c. The increase in Contract Asset Account relates to a receivable amount for One18 Residences. The remaining balance is in relation to Project 228 (a previous project).
- d. Trade and other receivables are unsecured, non-interest bearing and generally on 30-day terms. Other receivables are non-interest bearing, unsecured and to be settled by cash. Included in other receivables is an amount of S\$Nil (2018:9,778,404) relating to shareholder loans in the jointly controlled entity for the purposes of funding the development of the project. The shareholder loans were re-classified as interest in joint ventures within the FY19 accounts. There were no trade receivables that were past due and impaired.
- e. Cash and cash equivalents have been decreasing as a result of supporting the operational and development functions of the business.
- f. Plant and equipment relate to office equipment, renovations, electrical installation and furniture. All plant and equipment items are stated at the depreciated carrying value.
- g. Investment in joint ventures relates to Kingsland's joint operation on Project PPCC.
- h. Trade and other payables account balance is primarily comprised of an unsecured loan which is interest free for the first 3 years and repayable after 3 years with 8% interest per annum subject to the completion date of the proposed novation.
- i. Retention payable arises from the amount retained by the Group from the contractor in relation to the construction work-in-progress under the joint operation. The amount will be settled after one year from the engineer's certification that the work is complete.
- j. The balance owing to the director is unsecured, non-interest bearing, repayable on demand and is to be settled in cash.

## Financial Performance

5.7 We set out the financial performance of Kingsland below:

Table 3: Historical Statement of Comprehensive Income of Kingsland

		Audited 31-Mar-19	Reviewed 30-Sep-18	Audited 31-Mar-18
	Ref		\$	\$
Revenue	(a)	34,627,271	953,451	888,417
Other income	(b)	135,721	816,718	120,093
<b>Total Revenue</b>		<b>34,762,992</b>	<b>1,770,169</b>	<b>1,008,510</b>
<b>Expense</b>				
Development Costs	(c)	(23,830,452)	(612,786)	(508,710)
Depreciation		(12,442)	(5,784)	(13,985)
Employee benefits expense		(907,029)	(366,053)	(1,022,583)
Finance costs		(133,693)	-	-
Other operating expenses		(1,818,834)	(298,953)	(1,406,955)
Share of result of joint ventures		(394,321)	-	-
<b>Total Expenses</b>		<b>(27,096,771)</b>	<b>(1,283,576)</b>	<b>(2,952,233)</b>
<b>Profit/(loss) before income tax</b>		<b>7,666,221</b>	<b>486,593</b>	<b>(1,943,723)</b>
Income tax expense		(2,130,246)	-	(12,167)
<b>Profit/(loss) after tax</b>		<b>5,535,975</b>	<b>486,593</b>	<b>(1,955,890)</b>

Source: FY18 Annual Report and HY 19 Report prepared by Kingsland

5.8 We note the following key items in relation to the statement of comprehensive income prepared by Kingsland:

- Revenue relates to the sales of One18 Residences. The revenue is consideration received from customers for sales of property, which is recognised over time, in line with costs incurred and development progress. For the sale of a property where the group satisfies its performance obligations over time, management has determined that a cost-based input method provides accurate depiction of the group's performance. The transaction price of a sale is assigned to the remaining performance obligations when recognising revenue on the sale.
- Other income primarily relates to a gain on foreign exchange.
- The recognition of expense relating to the One18 Residences, recognised over time on a completion basis.

Capital Structure

5.9 Kingsland currently has 405,000,000 ordinary shares on issue. Details of its substantial shareholders as at 30 September 2018 are as follows:

Table 4: Capital Structure of Kingsland

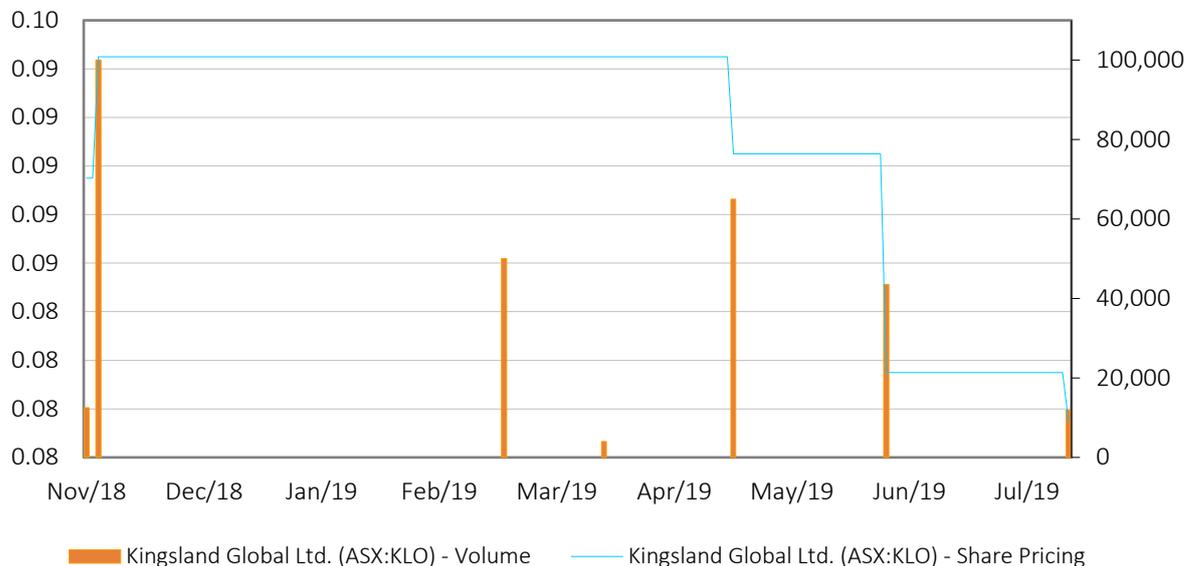
Shareholders	Number of Ordinary Shares	% of Total Shares
Kingsland Development Pte. Ltd.	206,990,000	51.1%
Citicorp Nominees Pty Ltd	103,006,782	25.4%
Nylect Holdings Pte Ltd	17,500,000	4.3%
BNP Paribas Noms Pty Ltd	15,826,194	3.9%
Hang Chaw Sok	15,750,000	3.9%
Hee Chew Sim	15,750,000	3.9%
HSBC Custody Nominees (Australia) Ltd	12,798,100	3.2%
Hian Boon Sim	2,940,000	0.7%
Pershing Australia Nominees Pty Ltd	2,360,130	0.6%
Mei Ciao Tan	1,960,000	0.5%
<b>Top 10 Shareholders</b>	<b>394,881,206</b>	<b>97.5%</b>
Other shareholders	10,118,794	2.5%
<b>Total Shareholders</b>	<b>405,000,000</b>	<b>100.0%</b>

Source: Kingsland Share Registry

5.10 The top ten shareholders control 98% of the total shares in Kingsland. With the top two holders controlling more than 76% of total shares on issue.

ASX Trading of Kingsland Shares

5.11 Kingsland is listed on the ASX (ASX:KLO). As of the last trading date (17 July 2019) the stock was trading at \$0.08. The shares are traded infrequently and would be considered illiquid. The below chart shows the price movements and volume of traded shares over the last 12 months on a daily basis.



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## 6. PROFILE OF MAX CREDIT

### History

- 6.1 The company is licenced by the Ministry of Economic and Finance in the Kingdom of Cambodia to provide pawning and financial services in the country. The company provides various financial services to assist the general public cope with illiquidity situations.
- 6.2 Max Credit is the registered owner of the land holding at Street 118, Commune of Mittapheap, District 7 Makara, Phnom Penh, Cambodia, being the parcel of land on which the One18 Serviced Apartment Complex has been constructed.
- 6.3 The shareholders of Max Credit are:
- Cam Trip Investment Co Ltd, a company incorporated in Cambodia, holding 51% of the issued share capital of Max Credit;
  - Macalland Investment Pte Ltd, a wholly owned subsidiary of Macalland Holding Pte Ltd (of which Mr Jeremiah Lee (Managing Director of Kingsland) is a shareholder), holding 24.5% of the issued share capital of Max Credit; and
  - Mr Lee Kae Kang, holding 10% of the issued share capital of Max Credit.
- 6.4 Mr Jeremiah Lee holds the above interest in Max Credit on his own account and not on trust and/or for the benefit of Kingsland Cambodia or the Company.

### Max Credit Joint Venture Agreement with Kingsland

- 6.5 Kingsland Cambodia has entered into a joint venture agreement dated 28 October 2015 with Max Credit to construct and develop the Serviced Apartment Complex (Project 118 JV Agreement).
- 6.6 Max Credit is the registered owner of the Project 118 Land. Mr Jeremiah Lee (a Director) as a shareholder of Macalland Holding Pte Ltd (the holding company of Macalland Investment Pte Ltd), jointly hold 24.5% of the shares in Max Credit.
- 6.7 Pursuant to the Project 118 JV Agreement:
- Max Credit, as the owner of the Project 118 Land, will make the Project 118 Land available to Kingsland Cambodia for the development and construction of the Serviced Apartment Complex;
  - Max Credit will assist Kingsland Cambodia to achieve the following project objectives:
    - to develop and construct the Serviced Apartment Complex;
    - to maximise the profits from the joint venture; and
    - to distribute the profits from the joint venture in accordance with the Project 118 JV Agreement;
  - Kingsland Cambodia shall, in its sole and absolute discretion, determined when the individual Serviced Apartment Complex units are sold (currently 16 of 82 available units), to whom the individual Serviced Apartment Complex units are sold and the terms and conditions for the sales of the individual Serviced Apartment Complex units;

- iv. Upon the sale of all of the Serviced Apartment Complex units, all monies held by the joint venture shall be applied in the following priority:
- a) To repay all costs incurred by Kingsland Cambodia for the development, construction and sale of the Serviced Apartment Complex;
  - b) To repay all charges, duties or taxes incurred by Max Credit in respect of the Project 118 Land; and
  - c) To pay any third-party joint venture and development expense, with all the remaining profits before tax from the sale of all of the Serviced Apartment Complex units (if any) paid to each of Max Credit and Kingsland Cambodia in the following proportions:
  - d) Fifty per cent (50%) to Max Credit; and
  - e) Fifty per cent (50%) to Kingsland Cambodia.

The Project 118 JV Agreement is governed by the laws of Cambodia.

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7. INDUSTRY AND ECONOMIC ANALYSIS

Cambodian Condominium and Serviced Apartment Market:

Following the general election in July 2019 the Cambodian real estate market showed a resurgence in confidence. Total approved investment to August 2018 was US\$4 billion, an increase of US\$2.2 billion on the 8 months prior.

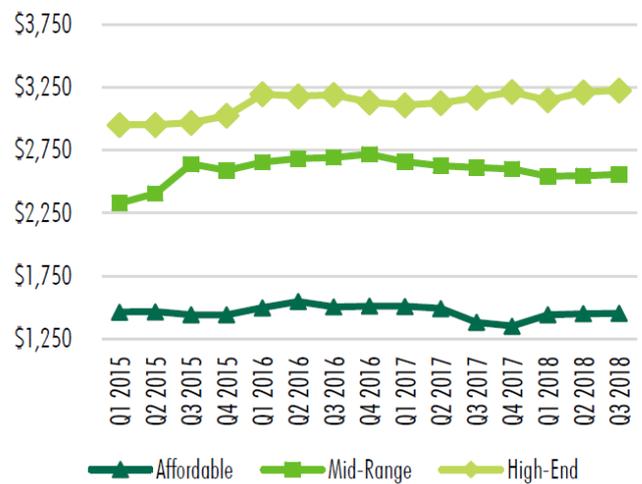
Condominiums

There has been rapid growth in the Cambodian condominium sector since 2014, particularly in the country’s capital, Phnom Penh. The interest has primarily been driven by foreign investors who are chasing comparatively high rental yields, which have ranged between 5% to 8%, combined with the countries continued stability and afforded by Cambodia’s dollarized economy.

The market is expected to see a spike in activity over 2019 with the delayed completion of 17 projects from 2018 adding to an existing pipeline of 26 new completions in 2018. The 43 completed projects will add a total of 16,939 units to Phnom Penh’s condominium market, giving rise to a 120% growth in supply y-o-y. Of this the high-end market will gain the highest relative supply uplift with a 243% supply growth y-o-y.

The sales price across affordable, mid-range and high-end condominiums remained stable in Q3 2018, with all sectors recording uplifts of less than 1%. The key movers were affordable properties which saw a growth decrease of 4.8% and mid-range properties which noted a price growth of 2.4%, in part due to the easing of new supply which have previously been flooding the mid-priced market. The table below shows the year on year growth rates for condominiums across each property type:

Figure 4: Average Price Per Sqm of Phnom Penh Condominiums (Q1 2015 - Q3 2018)



Source: CBRE Research, Q3 2018

Cambodian Condominium Sales Price Changes – Q3 Comparison of 2018 & 2017

Property Type	2018	2017
Affordable	0.2%	5%
Mid-Range	0.4%	(2%)
High-End	0.5%	1.8%



Serviced Apartments

The supply of serviced apartments in Phnom Penh has steadily increased over the last decade, with this gradual growth anticipated to continue over the next two years.

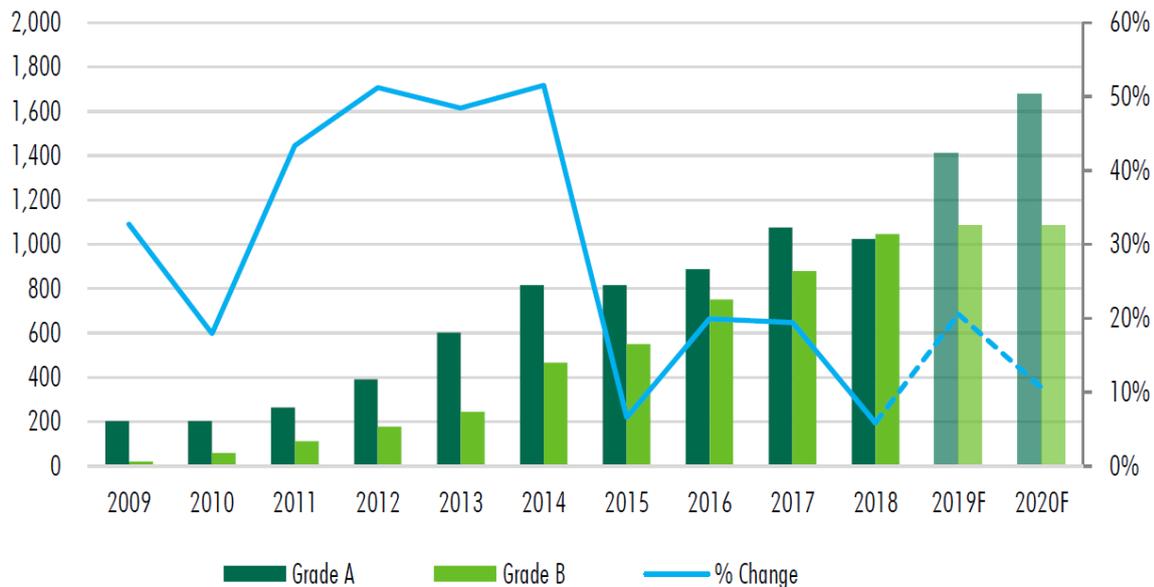
In 2019, Phnom Penh’s grade A stock is expected to reach 1,135 Grade A and 908 Grade B units. However, it is noted that it by international standards the number of Grade A apartments would likely be far less. At present Ascott is the only international branded serviced apartment operator in Phnom Penh, with Oakwood announcing they would be entering the market by the end of 2019. Rents for received apartments in Phnom

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Penh are performing relatively well, especially in desirable locations within the city. Currently the average Grade A serviced apartment draws rental rates of between \$17 to \$34 per sqm.

Cambodian Economy

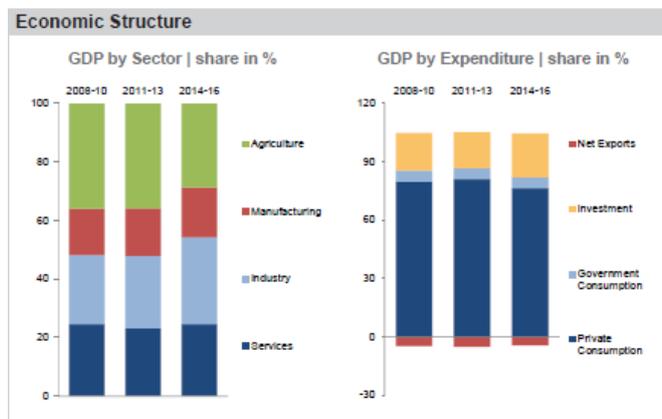
Figure 8: Phnom Penh Serviced Apartment Supply by Grade (2009 – 2020F)



Source: CBRE Cambodia, Q1 2019

The Cambodian economy again performed well over 2018 and continues to be one of the fastest growing countries, with an estimated growth rate of 6.7% over 2019. The Industrial and services sectors have remained the driving forces behind the strong economic conditions.

Favourable interest rates and exchange rates have created an investment-friendly environment in Cambodia over the last 10 years. With inflation rates expected to hover around 2.5% and the exchange rate to remain at approximately 4,050 Riel to the US Dollar.



In 2019, Cambodia’s Industrial sector is predicted to grow by 10.2%, primarily driven by manufacturing. Meanwhile, the construction Industry in 2018 grew by 18.1%. Investment flow into the economy during 2018 has been reported to have increased by \$5.8 billion, accounting to the Council for Development of Cambodia (CDC). This inflow of investment created an estimated 176,257 new jobs.

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## 8. VALUATION APPROACH ADOPTED

### Market valuation of a One18 Residences

- 8.1 We have instructed CBRE Cambodia which is part of the CBRE Group, Inc (“CBRE”) to act as independent specialist and provide an independent market valuation of the One18 Residences development. CBRE has assessed the Market Value on an ‘As Is’ basis subject to freehold tenure and subject to any existing leases and ‘Highest and Best Use’ for the property. CBRE has conducted a discounted cash flow valuation for the property, further analysis on the methodology can be found in CBRE’s valuation report found in Appendix D. CBRE has also prepared a capitalisation approach valuation which assumes an average rent per annum and applies an appropriate capitalisation rate to the assumed cash flows.

### Valuation of Consideration offered for One18 Residences

- 8.2 In our assessment of the value of the consideration offered for One18 Residences we have taken the cash value of the offer.

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9. MARKET VALUATION OF ONE18 RESIDENCIES

9.1 In estimating the fair market value of One18 Residences we have engaged CBRE. The valuation conducted by CBRE is set out below:

Table 5: Market Value of One18 Residences

	Ref	Low Value US\$	Preferred Value US\$	High Value US\$
Market Value of 100% ownership in One18 Residences	9.3-9.9	29,350,000	29,500,000	29,500,000
Less: Remaining Expenditure on Project	9.10	(500,000)	(500,000)	(500,000)
<b>Total Current Market Value</b>		<b>28,850,000</b>	<b>29,000,000</b>	<b>29,000,000</b>
Kingsland Ownership		50%	50%	50%
<b>Current Valuation of 50% Ownership in One18 Residences</b>		<b>14,425,000</b>	<b>14,500,000</b>	<b>14,500,000</b>

Source: MSPCS analysis

9.2 The table above indicates the value of a 50% ownership in One18 Residences is within a range of \$14,425,000 to \$14,500,000, with a preferred value of \$14,500,000

9.3 CBRE have valued One18 Residences using discounted cash flow and income capitalisation approaches.

9.4 The valuation conducted by CBRE has been done on an 'As Is' basis assuming One18 Residences is trading on a stabilised basis. No allowance has been made in the valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred on the sale of the property.

9.5 The valuation of the property has been done on an assessment of long-term return derived from the property through both rental and capital growth. The information obtained for cashflow assumptions has been obtained from CBRE's market analysis and investigation, using comparable assets classes to derive their range of inputs. The table below outlines the comparable assets to One18 Residences and the rent achieved by these premises.

Project, Location & Developer	Avg. unit Size	Avg. Price \$/sq, m/month
Urban Palace Boeung Keng Kong 2 Urban Palace Co., Ltd	67 – 222 sq.m	\$20 - \$22
Somerset Norodom Boeung Keng Kang 1 Ascott Limited	23 - 138 sq.m	\$23 - \$25
Maline Daun Penh Maline Co., Ltd	50 - 435 sq.m	\$19 - \$22
One Residence Boeing Keng Kang 1 Ming Wouy Group	42 - 70 sq.m	\$23 - \$25

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- 9.6 CBRE are actively engaged with both investors and purchasers in the residential and commercial property sector in Phnom Penh. From this local market insight CBRE have determined that an investment return being in the order of 7% to 9%.
- 9.7 A risk-free rate has been determined from assessment of interest rates of the market's fixed deposits. These rates range between 5% to 9%. There is no bond market in Cambodia.
- 9.8 The discounted cash flow analysis takes into account a discount rate, rental growth, sale price of the property at the end of the investment horizon, and costs associated with its disposal and the end of the investment period.
- 9.9 Further analysis on the methodology selected in CBRE's valuation of One18 Residences can be Appendix C.
- 9.10 We have adjusted the expected market value of One18 Residences for the total remaining development expenditure that would be required to be spent by the owners of the project.

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## 10. VALUATION CONSIDERATION OFFERED FOR ONE18 RESIDENCIES

10.1 In our assessment of the value of the consideration offered for One18 Residences we have taken the cash value of the offer.

**Table 6: Cash Consideration offered for One18 Residences by Max Credit**

	US\$
Cash Consideration offered for 50% One18 Residences by Max Credit	29,174,700

Source: Kingsland Public Announcements

10.2 Under the terms of the Agreement:

- Max Credit will acquire all of Kingsland Cambodia's rights, title, interests and benefits and will assume all of Kingsland Cambodia's obligations, responsibilities and duties under the JVA for consideration of US\$29,174,700; and
- The purchase price payable by Max Credit is the sum of US\$29,174,700 to be paid as follows:

Timing of Payment	Amount (US\$)
Already paid	23,613,374
Progressively to 31 December 2019	2,643,856
Progressively over a 12 month period following Development Completion	2,917,470
<b>Total</b>	<b>US\$29,174,700</b>

Given the deferred timing of some of the payments, we have calculated the net present value of each of the deferred payments in order to consider the impact of the delay in payment. We have applied the following when calculating net present value:

- **Progressive payments to 31 December 2019** – We have apportioned the remaining payments amounts over the five months to 31 December 2019. We have applied a 7.5% discount rate to the flow of funds which is consistent with the discount rate applied in the property valuation prepared by CBRE and, in our opinion, provides a reasonable reflection of an appropriate discount rate to be applied to outstanding funds due for One18 Residences.
- **Progressive payments over 12 months from Development Completion** – We have apportioned the post Development Completion payments over a 12 month period after an assumed Development Completion date. For the purposes of our report, we have assumed Development Completion occurs on 30 September 2019. As such, we have assumed that the Development Completion payments will commence monthly in October 2019 and end in September 2020. We have applied the same discount rate as applied for the other progressive payments of 7.5%.

10.4 The table below summarises our calculation of the value of the Consideration to be paid for One18 Residences. Our low valuation includes the present value calculations for the deferred payments whereas our high valuation does not include any present value discounts.

	Low	High
Timing of Payment	US\$	US\$
Already paid	23,613,374	23,613,374
Progressively to 31 December 2019	2,596,578	2,643,856
Progressively over a 12 month period following Development Completion	2,772,380	2,917,470
<b>Total Consideration</b>	<b>28,982,332</b>	<b>29,174,700</b>

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11. IS THE PROPOSED TRANSACTION FAIR TO KINGSLAND SHAREHOLDERS?

11.1 In order to assess whether the Proposed Transaction is fair to Shareholders, we have compared the market value of Kingsland’s 50% interest in One18 Residences to the value of the Consideration.

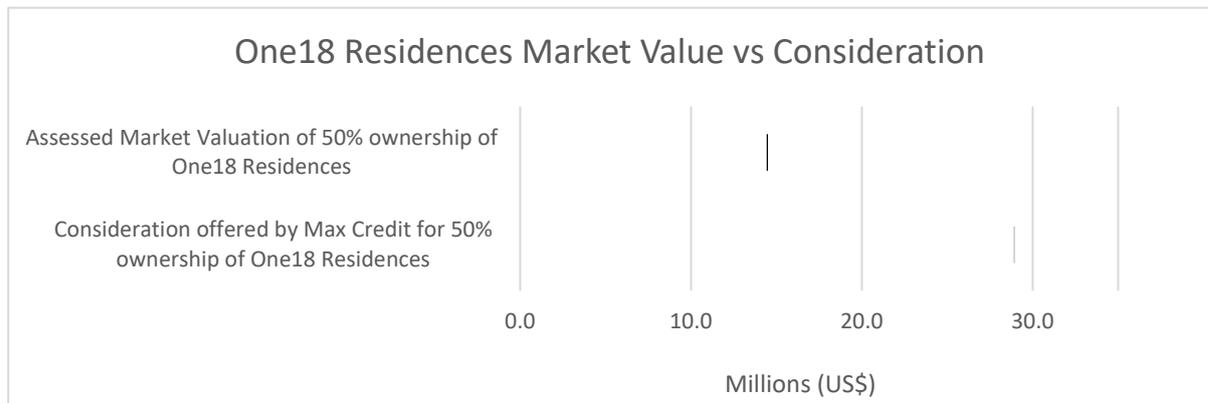
Table 7: Assessed Value and Consideration offered for One18 Residences

	Section	Low US\$	High US\$
Assessed Market Valuation of 50% ownership of One18 Residences	9	14,425,000	14,500,000
Cash Consideration Offered by Max Credit for 50% ownership of One18 Residences by Max Credit	10	28,982,332	29,174,700

Source: Moore Stephens analysis

11.2 In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, for the purposes of complying with ASX Listing Rule 10.1, we consider the Proposed Transaction fair to the Non-Associated Shareholders of Kingsland the Consideration offered to purchase One18 Residences is higher than the assessed market value of One18 Residences.

Figure 2: Assessed Value and Consideration offered for One18 Residences



Source: Moore Stephens analysis

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## 12. IS THE PROPOSED TRANSACTION REASONABLE?

12.1 RG111 establishes that a Proposed Transaction is reasonable if it is fair. Further to the transaction being fair, in our assessment of the reasonableness of the Proposed Transaction, we have given consideration to:

- The future prospects of Kingsland if the Proposed Transaction is not approved; and
- Other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of approving the Proposed Transaction.

### Future prospects of Kingsland if the Proposed Transaction is not approved

- The Company's activities will largely remain unchanged, with the Company continuing to hold developed and developing property assets.
- The Company currently has limited cash remaining and will likely need to raise capital if the Proposed Transaction is not approved.

### Advantages and disadvantages

12.2 In assessing whether the Non-Associated Shareholders are likely to be better off if the Proposed Transaction is approved, than if it is not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

#### Advantages of approving the Proposed Transaction

12.3 Advantage 1 – The Proposed Transaction is fair

The Proposed Transaction is considered to be fair.

12.4 Advantage 2 – Sale of the One18 Residences for cash creates liquidity for investment

The sale of One18 Residences creates liquidity for Kingsland to pursue other investment opportunities and start funding on new development projects.

12.5 Advantage 3 – Finding a buyer for the project

Commercial property is a large illiquid asset. Finding a buyer can be a difficult and costly proposition. With an offer being presented to Kingsland it gives rise to an opportunity to sell the asset to a known buyer, which may be otherwise difficult and/or costly to find.

12.6 Advantage 4 – Increased cash balance decreases the likelihood of a future capital raise in the near term

Kingsland's cash balance to support operations is currently low, relative to the funding requirement to keep corporate and operational costs functioning. Without the sale of the One18 Residences it's possible that the company would need to conduct an equity capital raise or incur debt to fund operations going forward.

#### Disadvantages of approving the Proposed Transaction

12.7 Disadvantage 1 – No further exposure to capital growth of One18 Residences

Non-Associated Shareholders will no longer be exposed to the One18 Residences asset. This means Non-Associated Shareholders will not be exposed to any upside risk that might be experienced in the property in the future.

Conclusion on Reasonableness

- 12.8 In our opinion, the position of the Non-Associated Shareholders if the Proposed Transaction is approved is more advantageous than the position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior Proposed Transaction, we consider that the Proposed Transaction is reasonable for the Non- Associated Shareholders of Kingsland.
- 12.9 An individual Kingsland shareholder's decision in relation to the Proposed Transaction may be influenced by his or her individual circumstances. If in doubt, Kingsland shareholders should consult an independent advisor.

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### 13. INDEPENDENCE

Moore Stephens Perth Corporate Services Pty Ltd is entitled to receive a fee of approximately \$15,000, excluding GST and reimbursement of out of pocket expenses. Except for this fee Moore Stephens Perth Corporate Services Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

Prior to accepting this engagement Moore Stephens Perth Corporate Services Pty Ltd has considered its independence with respect to Kingsland, and any of their respective associates with reference to RG 112, Independence of Expert's Reports. It is the opinion of Moore Stephens Perth Corporate Services Pty Ltd that it is independent of Kingsland and their respective associates.

Moore Stephens Perth Corporate Services Pty Ltd has not had at the date of this report any relationship which may impair their independence.

We have held discussions with management of Kingsland regarding the information contained in this report. We did not change the methodology used in our assessment as a result of discussions and our independence has not been impaired in any way.

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#### 14. QUALIFICATIONS

Our report has been prepared in accordance with professional standard APES 225 “Valuation Services” issued by the Accounting Professional & Ethical Standards Board.

Moore Stephens Perth Corporate Services Pty Ltd is a professional practice company, wholly owned by the Perth practice of Moore Stephens, Chartered Accountants. The firm is part of the National and International network of Moore Stephens independent firms and provides a wide range of professional accounting and business advisory services.

Moore Stephens Perth Corporate Services Pty Ltd holds an Australian Financial Services License to provide financial product advice on securities to retail clients (by way of experts reports pursuant to the listing rules of the ASX and the Corporations Act) and its principals and owners are suitably professionally qualified, with substantial experience in professional practice.

The director responsible for the preparation and signing of this report is Mr Peter Gray who is a director of Moore Stephens Perth Corporate Services Pty Ltd. Mr Gray is a Chartered Accountant and is RG146 compliant. Mr Gray has approximately 15 years’ experience in capital markets and corporate finance and has significant experience in the preparation of independent expert’s reports, valuations, valuation methodology and related advice.

At the date of this report neither Mr Gray, nor any member or Director of Moore Stephens Perth Corporate Services Pty Ltd, has any interest in the outcome of the Proposed Transaction.

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## 15. DISCLAIMERS AND CONSENTS

Moore Stephens Perth Corporate Services Pty Ltd has been requested to prepare this report, to be included in the Notice of Meeting which will be sent to Kingsland's shareholders.

Moore Stephens Perth Corporate Services Pty Ltd consents to this report being included in the Notice of Meeting to be sent to shareholders of Kingsland. This report or any reference thereto is not to be included in, or attached to any other document, statement or letter without prior consent from Moore Stephens Perth Corporate Services Pty Ltd.

Moore Stephens Perth Corporate Services Pty Ltd has not conducted any form of audit, or any verification of information provided to us, and which we have relied upon in regard to Kingsland, however we have no reason to believe that any of the information provided, is false or materially incorrect.

The statements and opinions provided in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

Neither Moore Stephens Perth Corporate Services Pty Ltd nor Mr Gray take any responsibility for, nor have they authorised or caused the issue of, any part of this report for any third-party other than the shareholders of Kingsland in the context of the scope and purpose defined in section 3 of this report.

With respect to taxation implications it is recommended that individual shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own specific circumstances. The advice provided in this report does not constitute legal or taxation advice to shareholders of Kingsland or any other party.

The statements and opinions expressed in this report are given in good faith and with reliance upon information generated both independently and internally and with regard to all of the circumstances pertaining to the Proposed Transaction.

In regard to any projected financial information noted in this report, no member or director of Moore Stephens Perth Corporate Services Pty Ltd has had any involvement in the preparation of the projected financial information.

Furthermore, we do not provide any opinion whatsoever as to any projected financial or other results prepared for Kingsland, and in particular do not provide any opinion as to whether or not any projected financial results referred to in the report will or will not be achieved.

Yours faithfully



Peter Gray  
Director

Moore Stephens Perth Corporate Services Pty Ltd

APPENDIX A – SOURCES OF INFORMATION

In preparing this report we have relied upon the following principal sources of information:

- Term Sheet for the sale of One18 Residences.
- Kingsland audited financial statements for the years ended 30 June 2018 and 30 June 2017;
- Kingsland audited financial statements for the half year ended 31 December 2018;
- Independent Specialist Report on One18 Residences
- S&P Capital IQ, IBIS World and other financial databases and subscription services; and
- Information in the public domain;
- Discussions with directors and management of Kingsland.

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### Valuation Methodologies and Approaches

#### Discounted Cash Flow Method

Discounted cash flow methods estimate fair market value by discounting a company's future cash flows to their net present value. These methods are appropriate where a forecast of future cash flows can be made with a reasonable degree of confidence. Discounted cash flow methods are commonly used to value early stage companies or projects with a finite life.

#### Capitalisation of Maintainable Earnings Method

The capitalisation of maintainable earnings method estimates "fair market value" or "enterprise value", by estimating a company's future maintainable earnings and dividing this by a market capitalisation rate. The capitalisation rate represents the return an investor would expect to earn from investing in the company which is commensurate with the individual risks associated with the business.

It is appropriate to apply the capitalisation of maintainable earnings method where there is an established and relatively stable level of earnings which is likely to be sustained into the foreseeable future.

The measure of earnings will need to be assessed and can include, net profit after taxes, (NPAT), earnings before interest and taxes (EBIT and earnings before interest, taxes, depreciation and amortisation (EBITDA).

The capitalisation of maintainable earnings method can also be considered a market based methodology as the appropriate capitalisation rate or 'earnings multiple' is based on evidence of market transactions involving comparable companies.

An extension of the capitalisation of maintainable earnings method involves the calculation of share value of an entity. This process involves the calculation of the enterprise value, which is then adjusted for the net tangible assets of the entity.

#### Net Assets Value Method (Orderly Realisation of Assets)

The net assets value method (assuming an orderly realisation of assets) estimates fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

**Liquidation of assets** - The Liquidation method is similar to the orderly realisation of asset method except the liquidation method assumes the assets are sold in a shorter time frame.

**Net assets** – The net assets method is based on the value of the assets of a business less certain liabilities at book values, adjusted to a market value.

The asset based approach, as a general rule, ignores the possibility that a company's value could exceed the realisable value of its assets as they ignore the value of intangible assets such as customer lists, management, supply arrangements, and goodwill.

The asset based approach is most appropriate when companies are not profitable, a significant proportion of assets are liquid, or for asset holding companies.

**Cost Based Approach** - The cost based approach involves determining the fair market value of an asset by deducting the accumulated depreciation from the asset's replacement cost at current prices.

Like the asset based approach, the cost based approach has a number of disadvantages, primarily that the cost of an asset does not necessarily reflect the assets ability to generate income. Accordingly this approach is only useful in limited circumstances, usually associated with intangible asset valuation.

#### Quoted Market Price Methodology

The method relies on the pricing benchmarks set by sale and purchase transactions in a fully informed market the ASX which is subject to continuous disclosure rules aimed at providing that market with the necessary information to make informed decisions to buy or to sell.

Consequently, this approach provides a "fair price", independently determined by a real market. However the question of a fair price for a particular transaction requires an assessment in the context of that transaction taken as a whole.

In taking a quoted market price based assessment of the consideration to both parties to the proposed transaction, the overall reasonableness and benefits to the non-participating shareholders must be carefully evaluated.

#### Market Approach Method

The market based approach estimates a company's fair market value by considering the market prices of transactions in its shares or the market value of comparable assets.

This includes, consideration of any recent genuine Proposed Transactions received by the target for an entire entity's business, or any business units or asset as a basis for the valuation of those business units or assets, or prices for recent sales of similar assets

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# VALUATION REPORT

## Lumiere Residence

Street 118, Mittapheap Commune, 7 Makara District,  
Phnom Penh, Kingdom of Cambodia

*Moore Stephens Perth Corporate Services Pty Ltd*

**Date of Valuation: 28<sup>th</sup> June 2019**

**Report Date: 2<sup>nd</sup> July 2019**

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**Lumiere Residence**  
**Street 118, Mittapheap Commune, 7 Makara District,**  
**Phnom Penh, Kingdom of Cambodia**  
**(The “Property”)**

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## Summary of Valuation

This valuation is subject to all content, issues, assumptions, disclaimers, qualifications and recommendations in this report (including but not limited to those in the final section). The report is prepared for the use of and reliance by the Reliant Party only and limited only to the Purpose specifically stated. No responsibility is accepted or assumed to any third party for the whole or any part of the report.

**Subject Property:** Lumiere Residence Serviced Apartments, Street 118, Mittapheap Commune, 7 Makara District, Phnom Penh, Cambodia.

**Type of Title Certificate:** Hard Title Certificate.

**Tenure:** Freehold.

**Registered Owner:** Kingsland (KH) Development Co., Ltd.

**Total Land Area:** 1,069 Square Meters.

**Total Floor Area of the Building:**

- Gross Floor Area – 15,648.71 square meters
- Net Lettable Area – 11,350.30 square meter

**Approach to Valuation:** Market Value on an "As Is" basis.

**Date of Inspection:** 3<sup>rd</sup> May 2019

**Date of Valuation:** 28<sup>th</sup> June 2019

**Market Value on an "As Is" basis:** US \$29,500,000.00  
(Twenty Nine Million Five Hundred Thousand United States Dollars)

**Certification:** "CBRE Cambodia nor the appraiser has no present or prospective interest in the site that is the subject of this report, and has no personal interest or bias with respect to the parties involved".

**Prepared By:**



---

Darren O'Shaughnessy  
Manager – Valuations

## 1 Introduction

### 1.1 Instruction

CBRE Cambodia have been instructed by Moore Stephens Perth Corporate Services Pty Ltd to undertake a valuation of a serviced apartment building known as "Lumiere Residence" on Street 118, Mittapheap Commune, 7 Makara District, Phnom Penh, Cambodia, the "Subject Property". CBRE Cambodia have been requested to undertake a valuation of the freehold interest in the Subject Property.

<b>Instructed By:</b>	Moore Stephens Perth Corporate Services Pty Ltd, dated 1 <sup>st</sup> May 2019.
<b>Valuation Request:</b>	CBRE Cambodia are to assess the Market Value on an "As Is" basis subject to freehold tenure and subject to any existing leases for the Subject Property.
<b>Purpose of Valuation:</b>	Internal Reference, to establish the Market Value for the Subject Property.
<b>Reliant Party:</b>	This valuation is strictly for reliance upon by Moore Stephens Perth Corporate Services Pty Ltd only.
<b>Standing Instructions:</b>	This Valuation has been principally prepared in accordance with the International Valuation Standards Council (IVSC) Code of Professional Practice.
<b>Currency:</b>	Unless otherwise stated, all monetary references contained within this report are in United States Dollars (USD).

### 1.2 Property Summary

#### Description of the Property at the Date of Inspection:

On the inspection date, the Subject Property was identified as a 26 storey serviced apartment building. The building consists of five levels of underground car parking, ground floor reception lobby, and retail space, first floor office space and common/shared kitchen, and 24 storeys of apartments, and shared amenities including swimming pool and gym. The total gross floor area of the building excluding car parking is 16,187.59 square meters, whilst the net lettable floor area is 11,889.18 square meters. There are 76 car parking spaces, accessed via a hydraulic parking system.

Our valuation is limited to our inspections and information provided by the Instructing Party, should any of the information provided be deemed incorrect, CBRE Cambodia reserve the right to amend our valuation accordingly.

### 1.3 Critical Assumptions

Our valuation specifically assumes:

**Subject Development:** The Subject Property across its entirety, is free of encumbrances and/or elements that may impact upon its value.

**Title Documentation:** The title deeds for the Subject Property are in proper and legal order, demonstrating that the title has been registered by the Ministry of Land Management, Urban Planning and Construction.

**Development Licence:** The Development Licence for the Subject Building is in proper and legal order, and has been registered with the Ministry of Economy Land and Finance.

**Measurement:** The dimensions and size of the Subject Property are correct as provided within the schedule of units. Should the Subject Property subsequently be found to be of a different size, or encumbrances exist upon it, other than those explicitly highlighted in this report, we reserve the right to amend this report and the advice contained herein.

**Assumed Terms of Sale:** Our valuation has been made on the assumption that if the owner were to sell the Subject Property, it would be marketed on the open market without the benefit or burden of a deferred terms contract, leaseback, joint venture, management agreement, or any similar arrangement which could affect the value of the property. Our derived opinion of value specifically assumes that if the Subject Property were to transact in the current market, the transaction would be between a willing buyer and willing seller, with neither party having any diverse influence, political or otherwise, that may have a bearing on a potential transaction and ultimately the end sale value.

We have assumed that the rental prices of comparable properties are true and correct and are of arm's length transactions between a willing leaser and lessee, whereby both parties have acted knowledgeably, prudently and without compulsion.

It is assumed that the Subject Property is free from any encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

**Unregistered Interests:** We have assumed that there are no unregistered interests which may affect market value of the Subject Property. In the event that the Reliant Party becomes aware of any further or pending easements, encumbrances or unregistered interests, this valuation must not be relied upon before first consulting CBRE Cambodia to reassess any effect on the valuation.

**Site Survey Not Provided:**

CBRE Cambodia have assumed the dimensions and size of the land to be correct as provided within the title documentation. We have assumed the Subject Site is of one contiguous land plot. Should the Subject Site subsequently be found to be of a different size, or encumbrances exist upon it, we reserve the right to amend this report and the advice contained herein.

We have assumed there are no encroachments by or on the Subject Site, and if required, the Reliant Party should confirm this status by obtaining a current survey report and/or advice from a registered surveyor before further considering a prospective purchase of the parcels of land.

**Previous Site Use:**

We are not aware of the previous use of the Subject Site and thus have not reflected this within our valuation in accordance to your instruction.

**Site Conditions:**

In accordance with our instructions we have not undertaken site investigations to determine the suitability of ground conditions and services, nor have we undertaken environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances.

**Hazardous Materials:**

We have assumed the site is free of all hazardous materials, and have made no allowance in our valuation for site remediation works.

**Flooding:**

We have assumed that the Subject Site is not affected by flooding issues which would potentially negatively impact our assessment of value.

**Unregistered Interests:**

We have assumed that there are no unregistered interests which may affect market value. In the event that the Reliant Party becomes aware of any further or pending easements, encumbrances or unregistered interests, this valuation must not be relied upon before first consulting CBRE Cambodia to reassess any effect on the valuation.

**Extent of Inspections:**

Our inspections of the Subject Property have been limited to external inspections and brief internal inspections to discover occupier's uses. We have relied upon information provided by the Instructing Party in deriving internal measurements, details of tenancies, costs and details of tenure. Should any of the information provided to CBRE Cambodia prove to be incorrect we reserve the right to amend this report and the advice contained herein. Information that we have relied upon in undertaking this valuation is appended to this report.

The assumptions noted above form the basis of the valuation and have been expressed to be the assumptions on which the valuation will be undertaken by the Instructing Party. Should any of the above assumptions prove to be incorrect, CBRE Cambodia reserve the right to amend the valuation accordingly.

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## 1.4 Reliance and Liability

<b>Reliance:</b>	This valuation is strictly and only for the use of the Reliant Party and for the Purpose specifically stated in Synopsis/Instructions.
<b>Transmission:</b>	Only an original valuation report received by the Reliant Party directly from CBRE Cambodia without any third party intervention can be relied upon.
<b>Restricted:</b>	No responsibility is accepted or assumed to any third party who may use or rely on the whole or any part of the content of this valuation.
<b>Copyright:</b>	Neither the whole nor any part of the content of this valuation may be published in any document, statement, circular or otherwise by any party other than CBRE Cambodia, nor in any communication with any third party, without the prior written approval from CBRE Cambodia, and subject to any conditions determined by CBRE Cambodia, including the form and context in which it is to appear.

## 1.5 Basis of Valuation and Definition

<b>Basis of Valuation:</b>	CBRE Cambodia have undertaken the valuation of the Market Value of Subject Property assuming the property is operating on a stabilised basis.
<b>Definition of Market Value:</b>	<p>In accordance with the International Valuation Standards, the definition of Market Value is:</p> <p><i>“Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.</i></p> <p>Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.</p>

## 1.6 Market Movement & Contract of Sale

<b>Date of Valuation:</b>	This valuation is current at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property) if circumstances change. Liability for losses arising from such subsequent changes in value is excluded, as is liability where the valuation is relied upon after the date of the reliance window.
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**Reliance Window:**

Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability, nor should the valuation be relied upon, after the expiration of 3 months from the date of valuation, or such earlier date if the Reliant Party becomes aware of any factors that may have an effect on the valuation.

**Contract of Sale:**

We have taken this valuation on the assumption that the property would be offered for sale, in the context of appropriate marketing activities and a reasonable time-frame. No consideration has been given to forced sale value.

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## 2 Site Details

### 2.1 Location

**Situation:** The Subject Property is located in a prime location on the fringe of Phnom Penh's wider CBD, specifically on Street 118, within 2.5 kilometre of Wat Phnom, the central point of the city. The Subject Property is known as 'Lumiere Residence'.

**Area:** The Subject Property is located within close proximity to Kampuchea Krom Boulevard and Russian Federation Boulevard, which are two of the main ancillary routes running from east to west through the city.

Opposite the Subject Property is the back entrance of the Cambodian National Defence Headquarters. The Subject Property is located at a distance of approximately 1.5 kilometres west of Central Market and approximately 500 meters south of "Phnom Penh City Center", a mixed-use project being developed on more than 100 hectares of land, consisting of residential, retail, commercial, and recreational uses.

Olympic Stadium is located at a distance of approximately 2 kilometers to the south of the Subject Property. Phnom Penh International Airport is at a distance of approximately 8 kilometers to the west of the Subject Property, and is accessed via Russian Federation Boulevard. Royal Railway Station is located approximately 1 kilometer to the north-east of the Subject Property and provides passenger and cargo services to the coastal and border cities including Kep, Kampot, Sihanoukville and Poipet City.

**Surrounds:** The surrounding area predominately comprises residential and commercial buildings, in addition to restaurants, healthcare facilities, educational and governmental institutions.

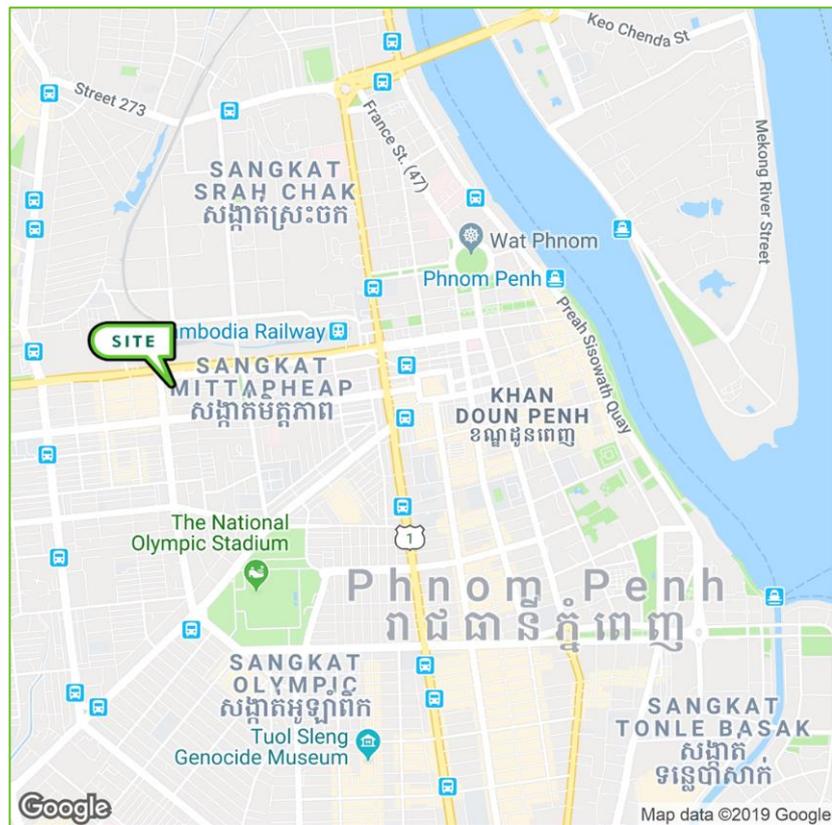
**Transport/Road:** The Subject Property is accessed via Street 118.

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Lumiere Residence  
Street 118, Mittapheap Commune,  
7 Makara District, Phnom Penh, Cambodia

**Location Map:**

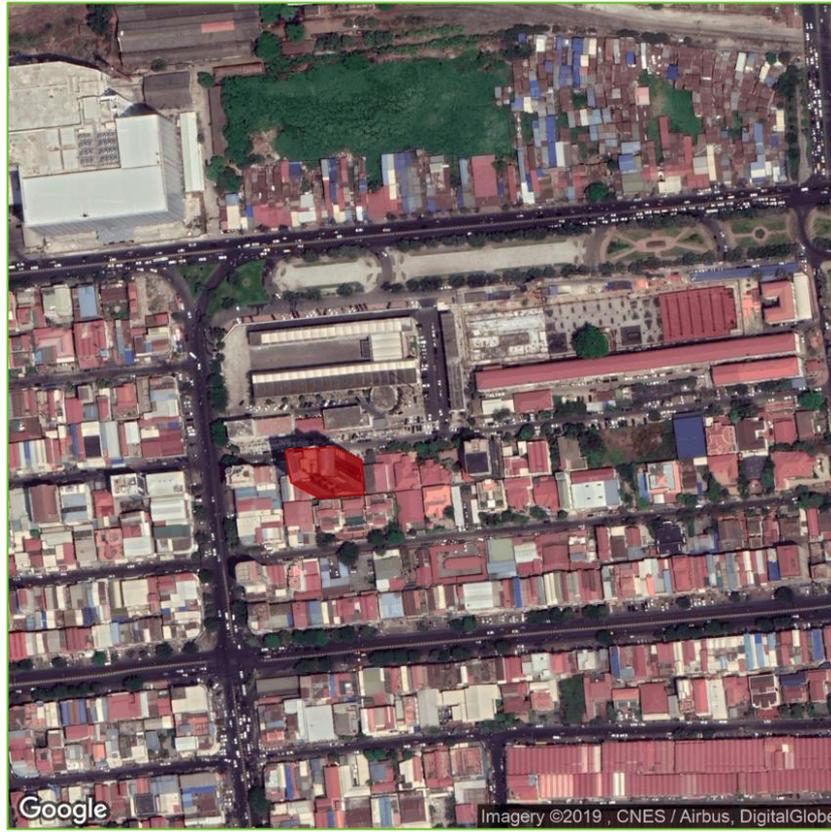
The following maps indicates the location of the Subject Site:



Source: CBRE Mapping / Google Maps

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Subject Property is outlined and shaded in red on the following map:



Source: CBRE Mapping / Google Maps

## 2.2 Site & Services

### Shape & Topography:

The Subject Site is of a rectangular shape. The Subject Site appears flat across its entirety.

### Total Site Area:

1,069 square meters.

### Street Frontage:

The Subject Property is located on Street 118 and has a frontage of approximately 30 meters.

### Services:

CBRE Cambodia has made an assumption that services including electricity, water, sewerage, and telecoms are available to the Subject Property. No services have been tested.

## 2.3 Site Contamination Risk

### Our Enquiries:

Our enquiries are limited to our inspection. We have not undertaken any formal searches, nor are we environmental experts. Our valuation therefore assumes that the site is free of contaminants. We have therefore made no allowance in our valuation for site remediation works.

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## 2.4 Title & Interests

A preliminary examination of the land title documents provided by the Instructing Party to CBRE Cambodia has been undertaken and have sighted the registered owner.

**Registered Owner:** Kingsland (KH) Development Co., Ltd.

**Title Details:** Freehold Hard Title Land.

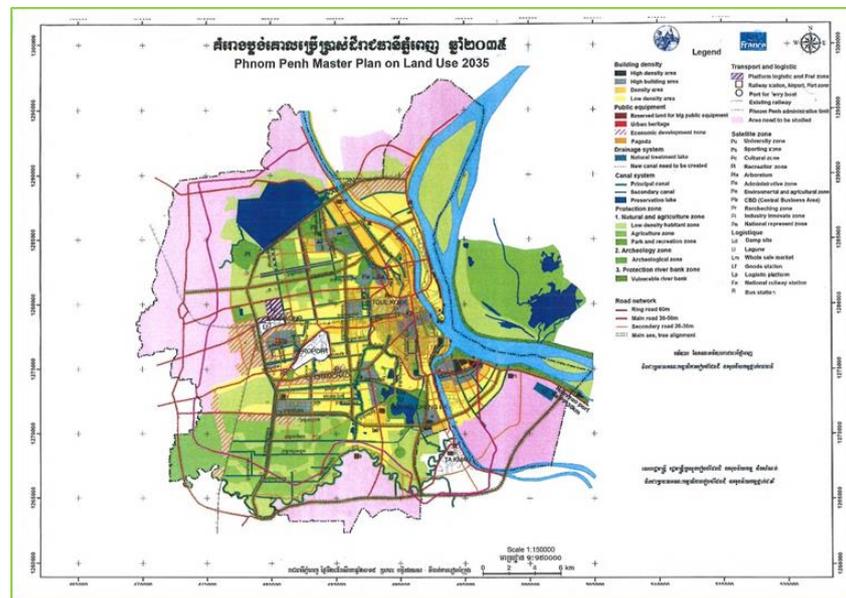
## 2.5 Town Planning [& Statutory Assessments]

**Local Authority:** Royal Government of Cambodia, the Municipality of Phnom Penh.

**Planning:** A number of 'Master Plans' exists for Phnom Penh and the wider area, having been created by foreign aid organizations. The Government and relevant ministries involved with town planning have not authorized these future master plans and do not strictly adhere to the plans which have been set out. Thus, the 'Master Plan' behaves more alike a best practice guide, with developers sometimes seeking planning permission for purposes at variance with the plan.

"The Phnom Penh Master Plan 2035" divides the city into different suggested land uses. With respect to the Subject Site, there are no planning restrictions restricting the use of the Subject Site. The area is defined as an area of "High Population Density".

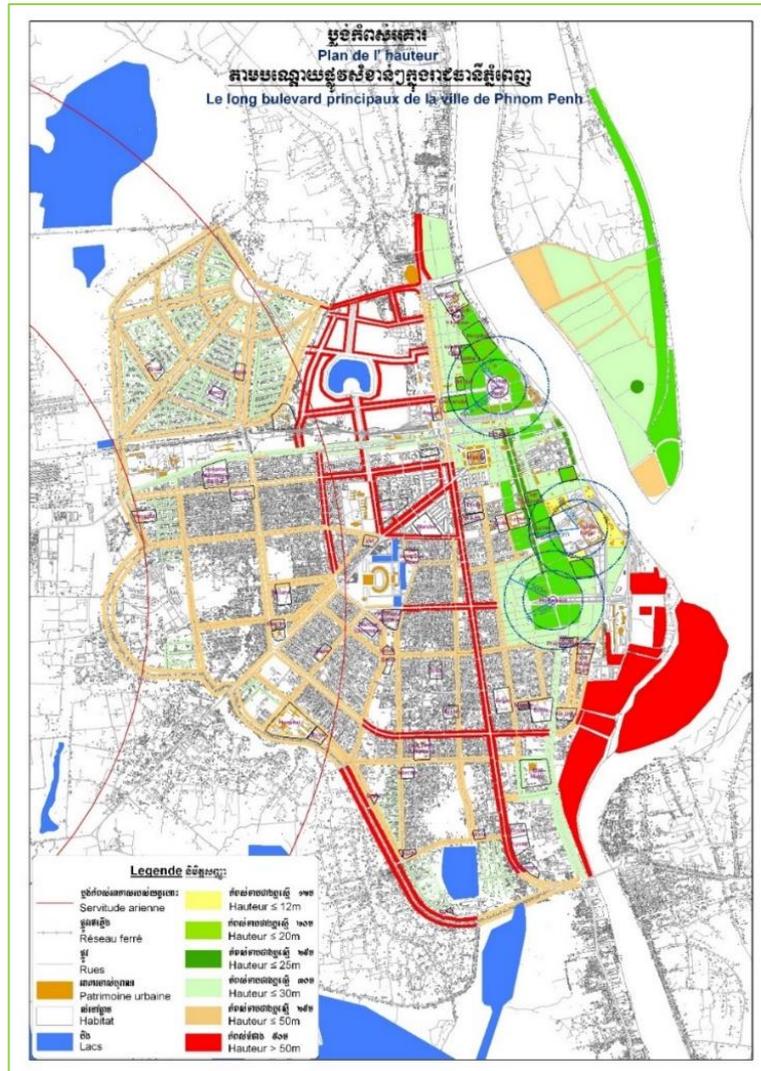
CBRE Cambodia cannot be held responsible for any changes in law or attitude of the pertinent ministries who currently control planning policy in Phnom Penh and any resultant change in value which may be caused as a result in changes in planning policies.



Source: Royal Government of Cambodia

**Height Limitations:**

According to “Plan De L’ Hauteur Le Long Boulevard Principaux de la Ville de Phnom Penh”, CBRE Cambodia are not aware of any height restrictions which could impact the Subject Site.



**Development Controls:**

There are no specific additional planning controls impacting on the Subject Sites, nor are any use-class restrictions in place, to the best knowledge of CBRE Cambodia.

**Development Potential:**

Although the Subject Property falls within the jurisdiction of “The Phnom Penh Masterplan 2035”, there is no suggested or restricted use relevant to the Subject Site in terms of development and it merely defines the location as a “High Populated Area”. Considering the location and vicinity of Subject Property, we believe the current development is the highest and best use.

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### 3 Property Description

#### 3.1 Property Description

The Subject Property consists of a serviced apartment building with five basement floors and 25 floors above ground. The total gross floor area of the building is 18,911 square meters whilst the net lettable floor area measures 11,889 square meters. The basement parking can accommodate up to 76 cars.

The basement floors are set out for car parking, storage and mechanical, electrical and plumbing uses. The parking area is equipped with a car parking lift and can accommodate up to 76 cars. Finishes to the parking area is of basic concrete. The entrance into the parking area is accessed from Street 118.

The ground floor is used as a building reception, car parking entrance, and a commercial space to be occupied by a cafe. The main entrance is situated at ground floor and provides access to Street 118. The 1st floor includes office space and a common kitchen and dining area; for common use by the buildings tenants.

The floors from the 2nd until the 25th level consist of apartment units, a shared swimming pool, a private penthouse swimming pool, a function room and a gym. Unit types include 84 studio apartments, 78 1-bedroom apartments and 9 penthouses with net lettable area ranging from 38.87 to 235.93 square meters.

Common facilities include; swimming pool, gym, laundry rooms, shared kitchen and dining area. Each penthouse comprises of 2 levels, 4 bedrooms and a private lift that provides transports to the private swimming pool on the 25th Floor.

#### 3.2 Construction and Services/Equipment Summary

The Subject Property appears to be of a conventional reinforced concrete construction, with a service core, columns and load bearing walls. Windows are single glazed throughout. The building facade is a mixture of the glass and concrete. Internally the floors are either marble tiled or laminated. Walls are plastered and painted. The units are fully furnished.

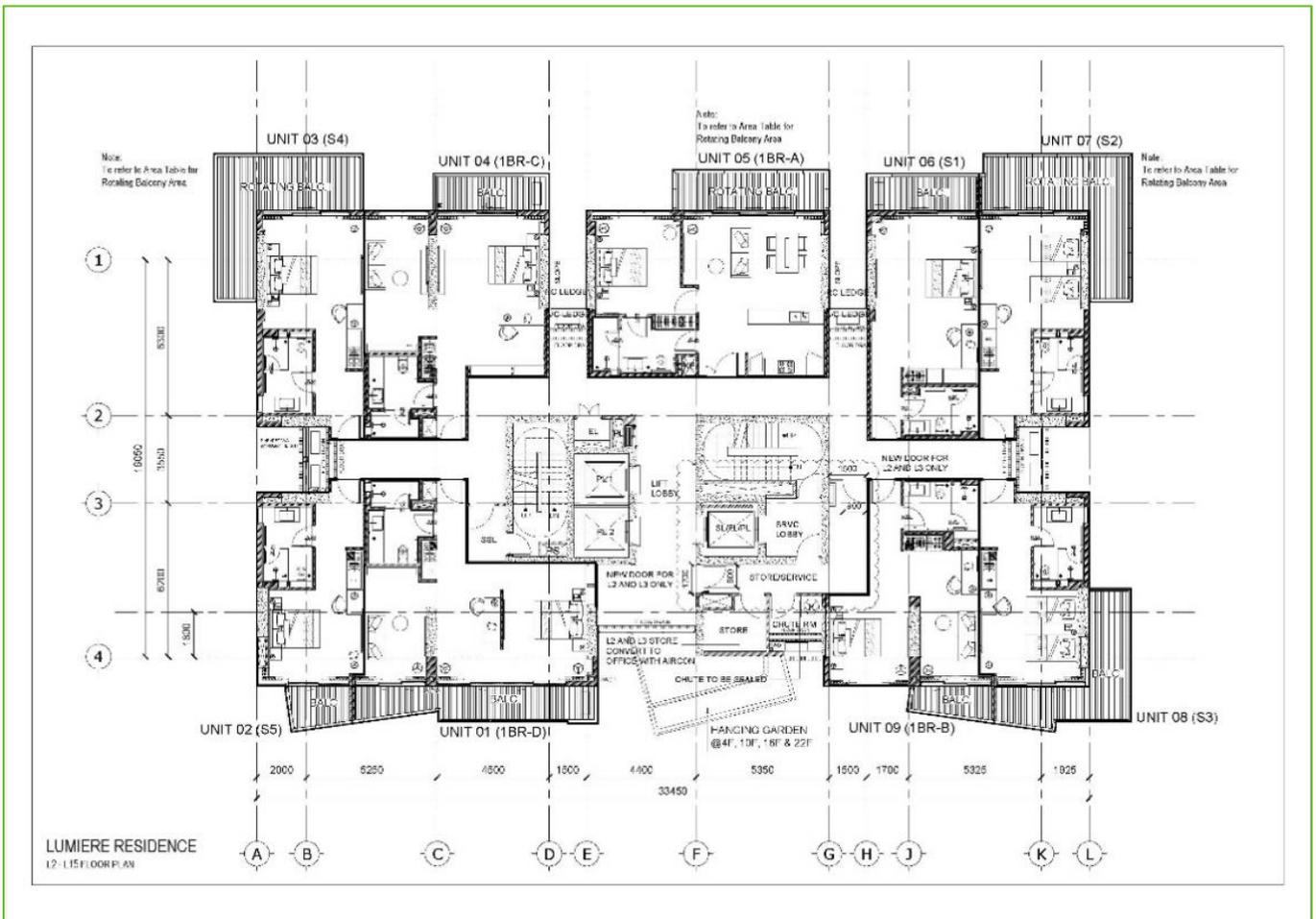
Services throughout the building include;

- Networking – fibre optic networking and cabling throughout;
- Air Conditioning – split system air-conditioning system with bulkhead air conditioners and cassette air conditioners in common areas throughout the building;
- Fire Protection – fire hoses, fire extinguishers, fire alarm, fire-proof doors and emergency stairs, fire sprinklers;
- Networking – fibre optic networking and cabling throughout;
- Air Conditioning – split system air-conditioning system with bulkhead air conditioners and cassette air conditioners in common areas throughout the building;
- Fire Protection – fire hoses, fire extinguishers, fire alarm, fire-proof doors and emergency stairs, fire sprinklers;
- Power Generator – back-up generator located on ground floor, behind the building;

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- Security – CCTV cameras with 24-hour recording throughout the property;
- Toilets – common WC’s on Ground Floor, 1st, 24th and 25th floors;
- Vertical Transport – two stairwells, one accessible to the basement floors. Two passenger lifts operating from Ground Floor to the 25th Floor, and one service/passenger lift operating from the 5th Basement Floor to the 25th Floor. One car parking lift. Penthouses include private lifts.

### 3.3 Typical Floor Plan



Source: *Instructing Party*

### 3.4 Floor Area Schedule

Floor	Apartment Type			Area (sq.m)	Commercial Space (sq.m)	Common Area (sq.m)	Total NLA (sq.m)	Total GFA (sq.m)
	Studio	One Bed	Penthouse					
25	-	-	1	231.49	-	189.9	231.49	421.39
24	-	-	-	-	-	444.00	0.00	444.00
23	-	1	1	255.68	-	116.85	255.68	372.53
22	2	3	1	539.00	-	133.79	539.00	672.79
21	2	3	1	489.05	-	116.85	489.05	605.90
20	2	3	1	538.41	-	116.85	538.41	655.26
19	2	3	1	487.86	-	116.85	487.86	604.71
18	2	3	1	537.21	-	116.85	537.21	654.06
17	2	3	1	486.67	-	116.85	486.67	603.52
16	2	3	1	536.02	-	133.79	536.02	669.81
15	5	4	-	510.83	-	116.85	510.83	627.68
14	5	4	-	510.23	-	116.85	510.23	627.08
13	5	4	-	511.80	-	116.85	511.80	628.65
12	5	4	-	513.37	-	116.85	513.37	630.22
11	5	4	-	514.94	-	116.85	514.94	631.79
10	5	4	-	516.49	-	133.79	516.49	650.28
9	5	4	-	518.04	-	116.85	518.04	634.89
8	5	4	-	519.55	-	116.85	519.55	636.40
7	5	4	-	521.11	-	116.85	521.11	637.96
6	5	4	-	522.51	-	116.85	522.51	639.36
5	5	4	-	522.51	-	116.85	522.51	639.36
4	5	4	-	522.51	-	133.79	522.51	656.30
3	5	4	-	522.51	-	116.85	522.51	639.36
2	5	4	-	522.51	-	116.85	522.51	639.36
1	-	-	-	-	394.96	118.33	394.96	513.29
GF	-	-	-	-	143.92	907.72	143.92	1,051.64
B1-B5	-	-	-	-	-	-	-	2,724.00
<b>Total</b>	<b>84</b>	<b>78</b>	<b>9</b>	<b>11350.30</b>	<b>538.88</b>	<b>4,298.41</b>	<b>11,889.18</b>	<b>18,911.59</b>

### 3.5 Condition and Repair

On the date of inspection the construction of the building had only recently been completed. The external areas appear to be in proper condition for their uses. Serviced apartment buildings require continual expenditure to maintain the aesthetic appeal, structural integrity, efficient services and hence, occupancy rates and capital value of the asset. In this regard, we have incorporated a capital expenditure allowance throughout the term of our cash flow analysis in recognition of the requirement for an ongoing refurbishment program.

We have not been provided with any reports in respect of the structural integrity or condition of the plant & machinery or service facilities within the Subject Property. Our approach to valuation by necessity assumes that no significant capital expenditure is required in respect of the building or facilities contained therein at the present time.

3.6 Site Photos

Front Driveway



Commercial Area – Ground Floor



Lift Lobby



Function Room



Swimming Pool



Gym



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Shared Kitchen Area



Mechanical Car Parking Area



Penthouse – Living Area



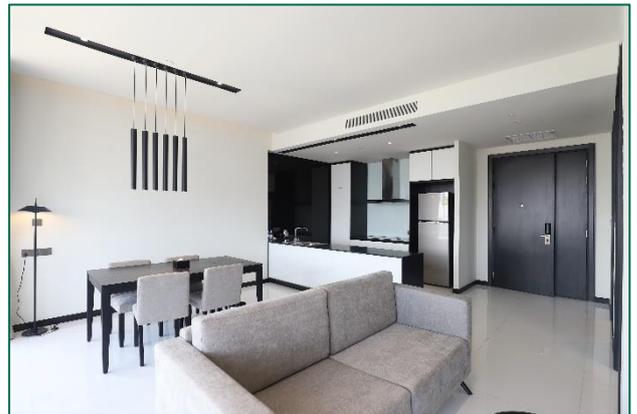
Penthouse – Master Bedroom



Penthouse - Bathroom



1-Bedroom Apartment – Living Area



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## 4 Economic Overview

### 4.1 Economic Overview of Cambodia

Cambodia is a frontier economy, emerging from a low economic base. The population is young and for the most part, poor. There is a rich elite and growing middle class. There is strong growth in demand for consumer goods driven by a young, rapidly urbanising and aspirational population.

Today Cambodia's economy is a product of around two decades of policy that transformed it from a 'centrally planned' to a 'market-oriented' economy, favouring investment, trade and private sector development at both a regional and global scale. These policy reforms combined with a period of political stability, have delivered dramatic economic growth that averaged 7.3% between 2005 and 2018. Over the past decade growth has been driven by four sectors: garments and footwear, hotel and restaurant, construction and agriculture.

Figure 1: Real GDP Growth Rate, 2005-2018



Source: Asian Development Bank

According to the Asian Development Bank, Cambodia saw a GDP growth rate of 6.9% in 2017 and a growth rate of 7.1% in 2018. The growth rate forecast for 2019 varies from source to source; although a consensus is formed at around the 7% per annum mark.

Gross National Income per capita has risen rapidly from a low base of approximately \$300 in 1995 to US\$1,185 by 2017. Cambodia's economy reached a significant milestone in Q2 2016, whereby the country was previously classified as a lower-income economy and was officially graduated by the World Bank to a lower-middle income economy. The government targets further transition to a middle-income economy by 2030 and a higher-income economy by 2050; however, despite Cambodia's strong economic performance over the last two decades it is believed that these timescales will unlikely be met.

Cambodia was the last ASEAN country to graduate to the lower-middle income tier, after Lao PDR was upgraded in 2011. The change brings within some challenges, including likely reductions in foreign aid spending in the country, and the removal of trade benefits such as Europe's 'Everything but Arms' policy and the more widely applicable 'General System of Preferences'. However, any

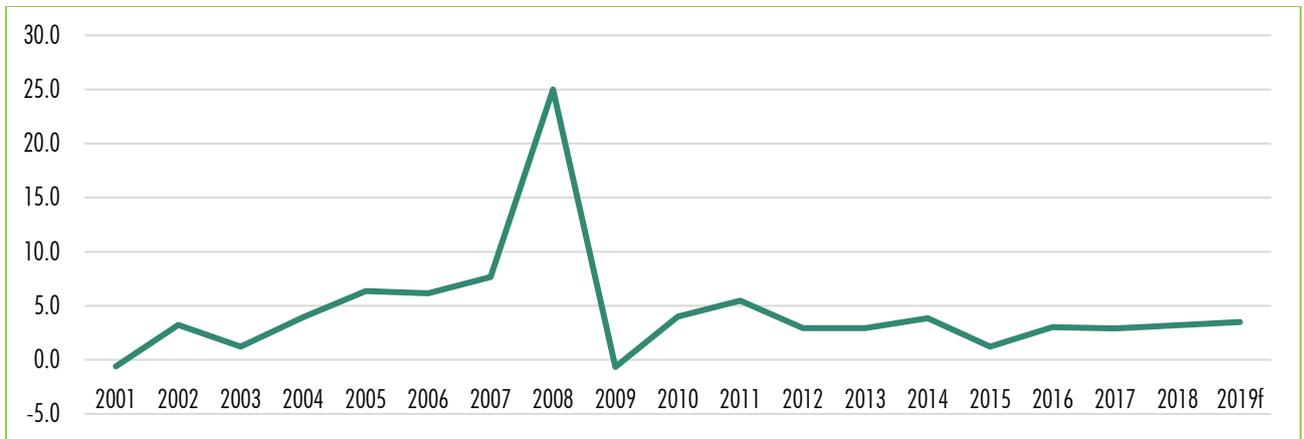
reductions in trade privileges are likely to incorporate a transitional arrangement and as should give Cambodia's industrial and export markets time to adjust.

#### 4.2 Cambodia Inflation Rate

After reaching a peak of 25% in 2008, the consumer price index (CPI) inflation rate decreased substantially over a short period of time, until ultimately reaching deflation of -0.7 % in 2009. Inflation picked up to 5.5% in 2011, from an average for 4% in 2010. Over the course of 2012 to 2017 Cambodia has benefitted from a comparatively stable rate of inflation though witnessing a slight drop, down to 1.2% in 2015, as detailed in the figure below.

The World Bank recorded a marginal decline to 2.9% during 2018, compared to that of 2017, as a result of moderate food prices. The Bank expects that the inflation will increase slightly to 3.5% for 2019, while the Ministry of Economy and Finance of Cambodia revised its forecast from 3.5% to a lower rate at 2.6% for 2019.

Figure 3: Inflation Rate (2000 – 2019F)



Source: World Bank

#### 4.3 Cambodia Interest Rate

According to the National Bank of Cambodia, in September 2018, the weighted average interest rate on 12-month fixed deposits in KHR increased by 0.05% to 6.11% while the interest rate on deposits in US dollar decreased by 0.01% to 4.44%. At the same time, the weighted average interest rate on loans in KHR and US dollar increased by 0.05% and 0.6% to 11.33% and 11.08%, respectively.

## 5 Market Commentary

It should be appreciated that this report is published for general information only and while rigorous research has been used in preparing this analysis, the views and projections provided in the report should not form the basis of any formal decision. Being a general market commentary, the material does not necessarily represent the view of CBRE Cambodia in relation to specific properties or projects and no responsibility can be accepted by CBRE Cambodia resulting from the contents of this commentary.

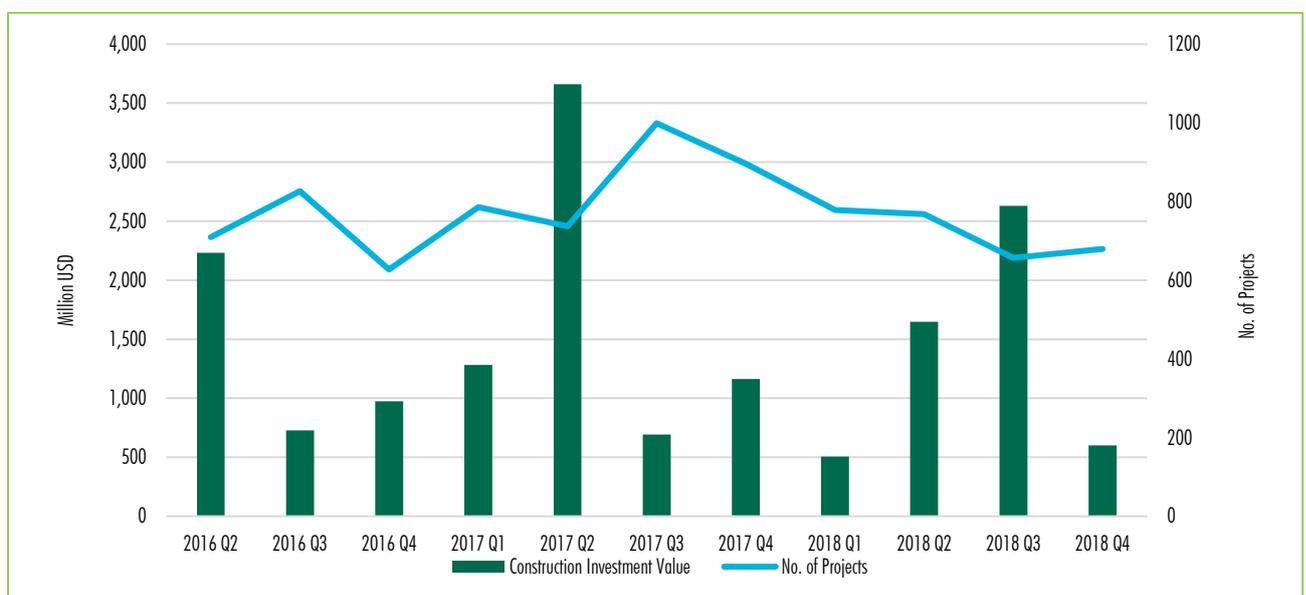
### 5.1 Real Estate Market Overview

By way of background, between 2002 until 2008, Phnom Penh experienced an exponential rise in land prices. At the peak (Q4 2007), CBD land was reported to have reached up to \$4,000 per square metre. Since the global financial crisis, details of transactions have been limited, but indicate that prices from 2007 to 2013 are relevant to fewer significant land transactions. 2014 to 2018 saw a substantial increase in demand for land, principally driven by international developers and investors entering the Cambodian market.

Over the course of 2018, Phnom Penh saw moderate growth in land prices with average increases of 5.6% amongst the capital's principal districts, compared to 2017. Sen Sok district witnessed a rapid increase of 17.6% y-o-y in average land prices, driven by major ongoing developments and infrastructure improvements. Average land prices within the capital's four central districts rose by 5.9% y-o-y.

According to the Ministry of Land Management, Urban Planning and Construction, over the course of 2018, a total of approximately 2,250 projects were approved nationwide. The combined value of approved investment into construction sector during the same period is just slightly under US\$5.3 billion.

Figure 4: Approved Investment into Construction, Value and Number of Projects (Q2 2016 – Q3 2018F)



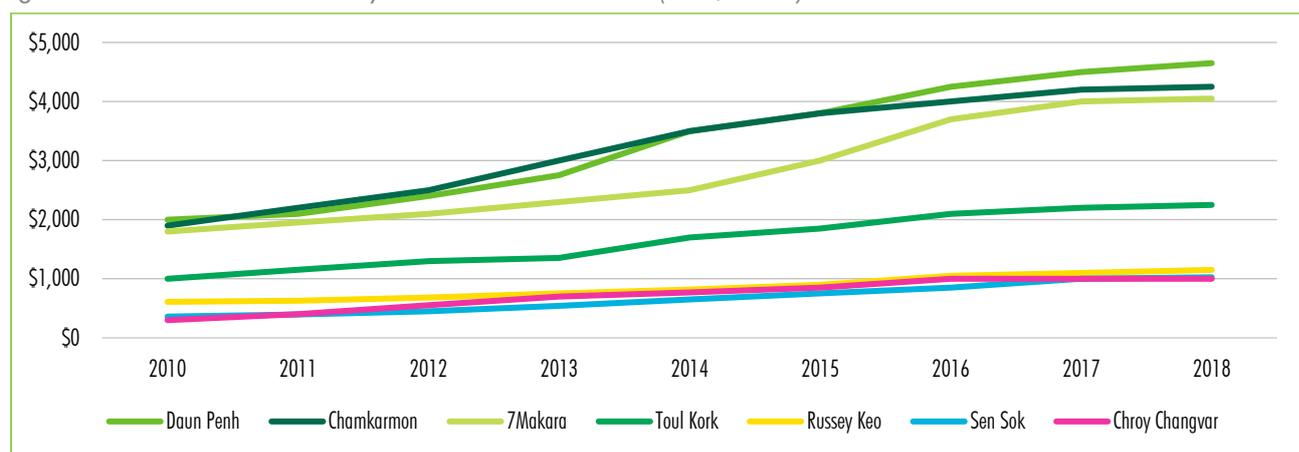
Source: CBRE Cambodia Research, 2018

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## 5.2 Land Market Overview

As of 2018, Phnom Penh saw an increase in land prices in the principal districts, with an average growth of 5.6% compared to the previous year and 4.2% compared to the same period last year. However, a lack of available land plots in addition to historically high prices in central districts have caused developers to further consider secondary locations. Alongside increasing development activity, infrastructure improvements connecting those locations to central districts and the presence of some prominent commercial developments have driven land price appreciation in secondary districts. Of particular note is the city's Sen Sok district where land prices rose 17.8% y-o-y.

Figure 5: Indicative Land Price by District in Phnom Penh (USD/SQ.M)



Source: CBRE Cambodia Research, 2018

CBRE Cambodia note that average land prices in the Chamkarmon District have grown by an average of 111% between 2010 and 2018, whilst land prices in the central CBD district of Daun Penh appreciated 115% over the same period. Secondary districts have come from a lower base and such have seen stronger percentage increases over the same period. A number of micro-scale factors affect individual sites, including access to infrastructure, the land's tenure (hard title Vs soft title), the land's condition and need for filling, and any relevant planning regulations. In addition, information asymmetry is highly prevalent in the market, and acts to create an imbalance in some transactions whereby a land owner is able to achieve a price which in a market with greater transparency he would not be able to command. Information asymmetry between vendors and purchasers creates difficulties in discerning land price patterns because the evidence varies strongly even between adjacent plots which have been sold at a similar time. CBRE observes that at present movements in the land market are most closely correlated to level of investment activity, which in turn is primarily driven by inbound local and foreign tourists, as well as largely speculative land investment by Cambodians. CBRE anticipate that as infrastructure connecting Phnom Penh improves, there will be a further boost in development activity which in turn will drive land prices appreciation.

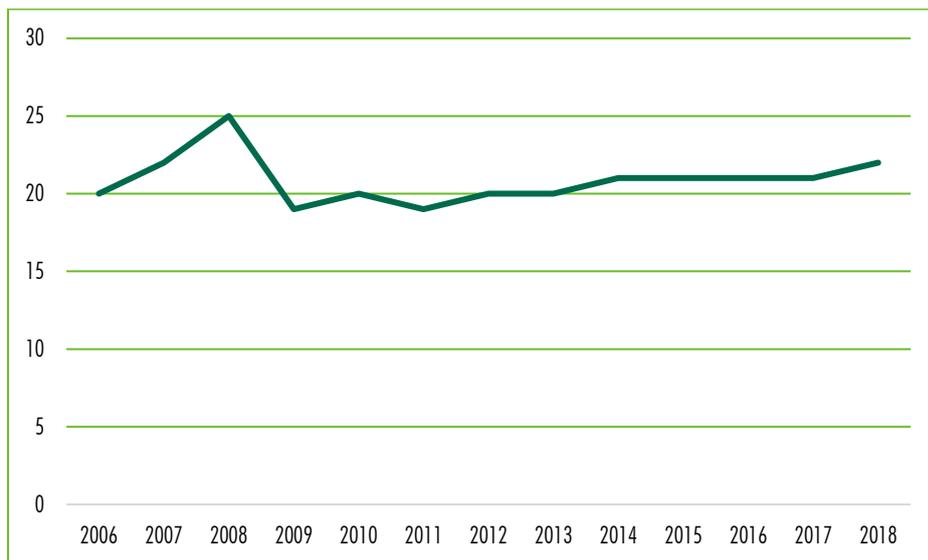
## 5.3 Serviced / Residence Apartments

The apartment market is one of the most established sectors within the Phnom Penh market and is the sector seeing the most rapid area of growth in terms of development activity. Although a large number of these apartment developments market themselves as serviced apartments only a minority truly offer a standard expected in serviced apartments by international levels. A serviced apartment, as

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understood in the local market is a centrally owned building with managed apartment units available for short term and extended stays, which offers services included such as cleaning, security, laundry, generally with the ability to cook autonomously within the unit. It is generally considered a hybrid between a hotel and a non-serviced apartment, with a number of recent projects permitting booking on a nightly basis. The serviced apartment market is driven primarily by expatriates and, to some extent, tourists looking for an alternative to hotels. Supply has rapidly increased over the last decade and is set to continue until 2020. Rental rates within the market range from \$10/sq.m to \$50/sq.m, highlighting the diverse range of properties and services available.

Figure 15: Average rent per square meter per month



Source: CBRE Cambodia, 2018

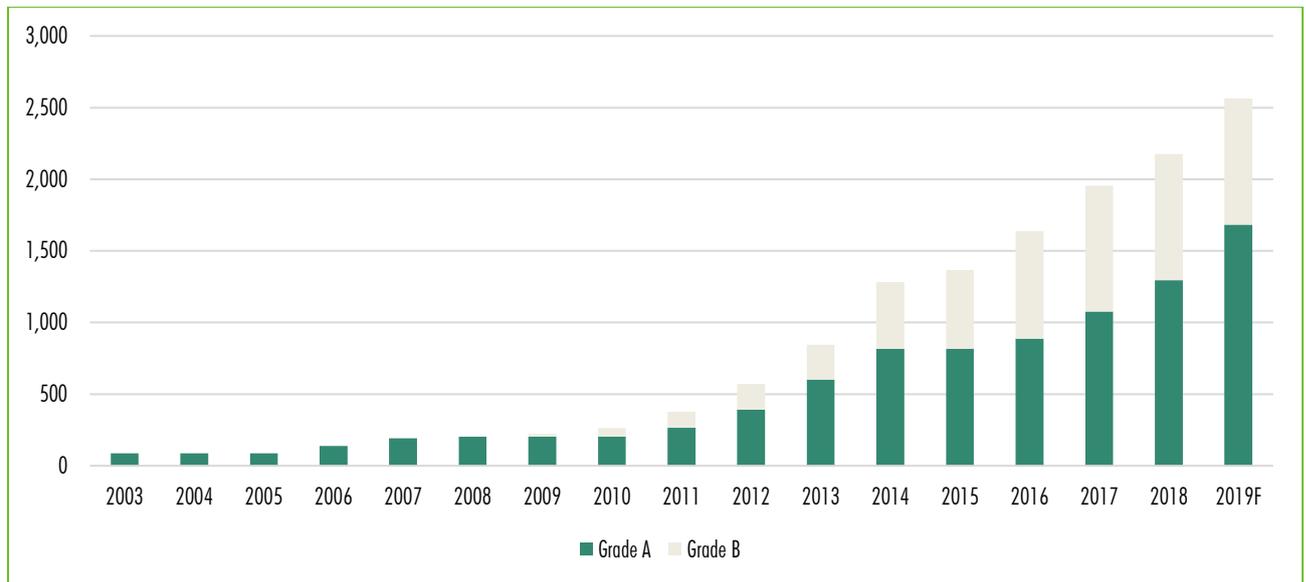
### 5.3.1 Supply of Serviced Apartment

Apartment projects in the most favourable locations with a high level of unit features and amenities (fully-equipped kitchen, laundry, high-quality finished) and community amenities (fitness centre, garden & park, swimming pool). Grade A apartments have a good design, a high standard of decoration and are well-maintained. Moreover, Grade A apartments provide a secure environment and adequate car parking. They target tenants who are willing to pay rents above the average for the area.

It is important to note that there is only one internationally branded serviced apartment operator in Phnom Penh. Ascott entered the market in 2017, managing 75 units within Casa Meridian on the Diamond Island, in addition, Ascott now manage 169 units within the developments of Skylar Meridian. Whilst they have announced to manage an addition of 266 units within Meridian Square at Phnom Penh City Centre by 2019, we have been advised that the project is likely delayed or cancelled concerning the current market supply with large supply of Chinese-backed condominiums. In addition, Oakwood, another international serviced residence operator, has unveiled its two properties in Cambodia – Oakwood Premier Phnom Penh and Oakwood Hotel & Residence Phnom Penh, comprising 220 units and 168 units, respectively. Both properties are located in One Park and are expected to open by 2020.

CBRE Cambodia anticipate that further serviced residence players will enter the market in the medium term, whilst those already present will continue to expand their portfolios as the market matures. We are also aware of a number of condominium projects with multiple towers that have been unable to achieve sufficient pre-sales are exploring the opportunity of bringing in an internationally recognised operator to manage one of the towers as serviced apartment / hotel, an example of this would be the One Park development by the CREED, which has secured Oakwood to manage two blocks of residences; the project will be the first for Oakwood in this market.

Figure 16: Supply of Grade-A & Grade-B Serviced Apartment



Source: CBRE Cambodia, 2018

The serviced apartment market in Phnom Penh remains well established, with demand continuing to increase year-on-year, driven by the increasing number of entering multi-nationals. When considering the whole residential apartment market, CBRE Cambodia estimate the overall market in Phnom Penh to comprise approximately 10,000 units, with Chamkarmon alone accounting about half of total supply. By the end of 2018, the Grade-A serviced apartment stock is 1,296 and expected to be at 1,684 units by mid 2019.

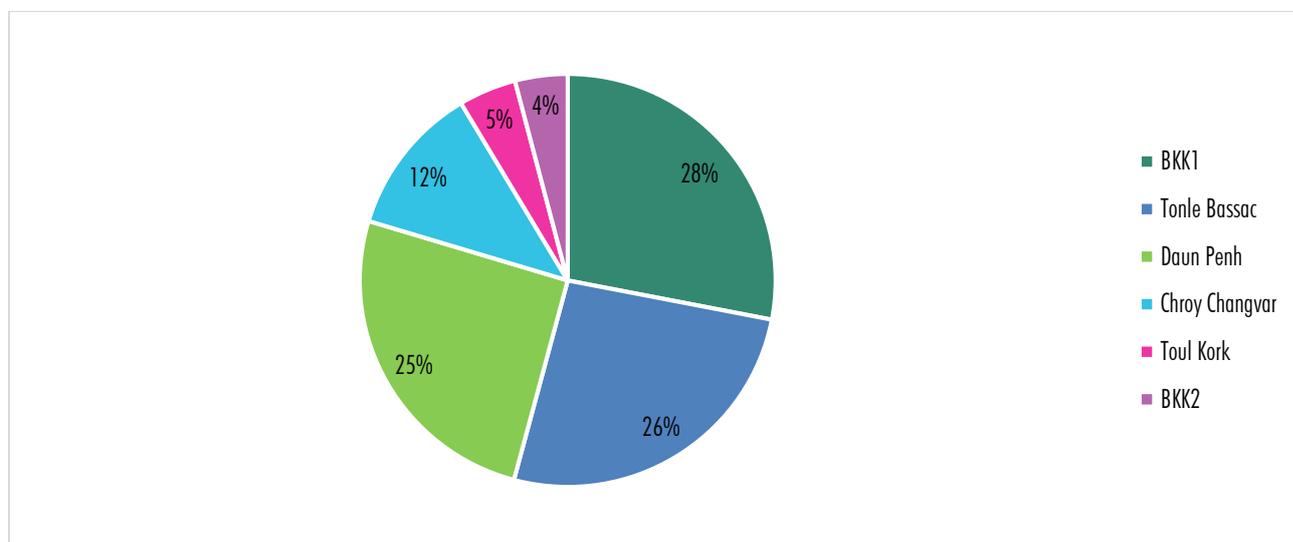
Although expatriates continue to favour the BKK1 neighbourhood as their preferred place of residence, serviced apartments such as Central Mansions and Maline are considered to both the capital's leading serviced apartment buildings and both are located in Daun Penh district. In addition to extensive refurbishments, Central Mansions has enjoyed success due to its location in proximity to prominent commercial developments. Land price appreciation in BKK1 has, since 2013, driven the ever expanding sector into the neighbouring Tonle Bassac, which is becoming increasingly desirable among expatriates, supported by the arrival of flagship developments such as Aeon Mall.

The serviced apartment market in Phnom Penh remains that of one of the most established real estate sectors, with developments ranging in age across all grades. Most notably, landlords and developers alike understand the need for older developments to be extensively updated to remain in competition with newer, improved developments. This was seen most recently at Hong Kong Lands Central Mansion

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development, which underwent extensive updating from the originally constructed 2003 property in 2013. CBRE Cambodia estimate that the areas of Tonle Bassac, BKK1 and Daun Penh will account for most of serviced apartment supply in 2019 with a combined 967 units across 17 projects / buildings. Chroy Changvar saw the first Grade-A serviced apartment – Bellevue in 2013, while Toul Kork and BKK2 welcomed their first Grade-A serviced apartment projects in 2017 and 2018, respectively.

Figure 17: Supply of Grade-A Serviced Apartment by Locations by Q4 2018



Source: CBRE Cambodia, 2018

### 5.3.2 Serviced Apartment Demand

To date of the report, the overall market performance of serviced apartment was well with an average occupancy standing above 85% across Grade A and Grade B segment. CBRE Cambodia note that within the last year the primary origin of expatriates relocating to Cambodia has come from Japan, Korea, and China. This is supported by the number of Japanese, Chinese, and Korean companies investing, or looking to invest in Cambodia, and opening offices in Phnom Penh. With the widely anticipated integration to the ASEAN Economic Community launched in 2015 and Cambodia's participation of the China's initiated One Belt One Road Policy, CBRE Cambodia expect the Cambodian markets to benefit further from regional development, particularly within the industrial sector. With rising labour costs in Thailand, and comparatively low labour provisions, cross border trade and investment has and will continue to increase throughout the greater Mekong region as a result of the Thailand +1 effect.

In addition to this, the acknowledgement of Cambodia as a prosperous industrial location from Japanese occupiers is likely to continue to drive investment within Cambodia, which will continue to provide demand for the serviced apartment markets from expatriates as the industrial sector grows. In addition to the industrial sectors, foreign direct investments in development projects in Phnom Penh in particular will continue to attract expatriates to the market who require high standards of serviced accommodation.

## 6 Valuation

Our valuation has been undertaken using appropriate valuation methodology and CBRE Cambodia's professional judgement. We have been specifically instructed to provide our assessment on an "As Is" basis assuming the Subject Property is trading on a stabilised basis.

The development represents a centrally located residential development, in an improving city centre location. The property benefits from good transport links and a centrally accessible location. Our valuation calculations include rental growth assumptions throughout a defined cash flow period. These assumptions have been based on economic and market conditions as at the date of valuation. No allowance has been made in our valuation neither for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free of encumbrances, restrictions and outgoings of onerous nature which could affect their value(s).

A variety of valuation approaches have been considered, and we detail below our principal approaches to value.

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## 6.1 Capitalisation Analysis

### 6.1.1 Comparable Rental Evidence

CGI Image	Project, Location & Developer	Avg. Unit Size	Comment	Avg. Rent \$/sq,m/month
	Urban Palace Boeung Keng Kong 2 Urban Palace Co., Ltd	67 - 222 sq.m	Grade A, 20-storey serviced apartment tower, providing 52 units ranging from 1-bedroom to penthouse. The building was completed in 2018.	\$20 - \$25
	Somerset Norodom Boeung Keng Kang 1 Ascott Limited	23 - 138 sq.m	Grade A, 28-storey serviced apartment tower, providing 169 units ranging from studio to 3-bedroom. The building was completed in 2018.	\$23 - \$25
	Maline Daun Penh Maline Co., Ltd	50 - 435 sq.m	Grade A, 13-storey serviced apartment tower, providing 65 units ranging from studio to penthouse. The building was completed in 2015.	\$19 - \$22
	One Residence Boeung Keng Kang 1 Ming Wouy Group	42 - 70 sq.m	Grade A, 17-storey serviced apartment tower, providing 57 units ranging from studio to 3-bedroom. The building was completed in 2017.	\$23 - \$25

Rental evidence of properties similar to the Subject Property show a rental range between USD \$19/sq.m/month to USD \$25/sq.m/month. After analysis of the difference between the Subject Property and the comparable properties, we conclude that an appropriate residential rent for the Subject Property is USD \$22/sq.m/month.

### 6.1.2 Capitalisation Approach

In undertaking our valuation analysis we have considered an investment approach by capitalising the net passing income (at market rent), on a fully leased basis. In order to estimate the market rental for the subject property, we have made reference to the rental levels of relevant comparable properties. Having regard to the information obtained from our market research and internal databases, CBRE have applied an appropriate rental rate for the Subject Property. In coming to this assumption, CBRE have considered rents for comparable developments in the vicinity of Phnom Penh.

<b>LUMIERE RESIDENCE - INCOME CAPITALISATION APPROACH</b>			
	Net Lettable Area (sq.m)	Avg Rent per annum (USD\$ per/sq.m)	Rental Income (USD\$)
Residential	11,350	\$ 264	\$ 2,996,479.20
Office Space	395	\$ 264	\$ 104,280.00
Retail Space	144	\$ 300	\$ 43,200.00
Gross Rent Per Annum			\$ 3,143,959.20
Service Charge per annum (USD\$)			\$ 16,170.00
<b>Gross Income</b>			<b>\$ 3,160,129.20</b>
<b>Expenditure &amp; Adjustments</b>			
Operating Expenses (repairs & maintenance, utilities, property management etc.) as % of Gross Income			\$ 632,025.84
Vacancy/Bad Debts Allowance as % of Gross Income			\$ 379,215.50
Capital Expenditure (% of Overall Gross Income)			\$ 94,803.88
Expenditure (incl. vacancy allowance)			\$ 1,106,045.22
<b>Income after expenditure &amp; adjustments</b>			<b>\$ 2,054,083.98</b>
<b>Capitalised Value</b>			
Capitalised in perpetuity @ 7%			\$ 29,344,056.86
<b>Adopted Total Value of Asset</b>			<b>\$ 29,350,000.00</b>

## 6.2 Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment period. In undertaking this analysis, a wide range of assumptions are made including a discount rate, rental growth, sale price of the property at the end of the investment horizon, and costs associated with its disposal at the end of the investment period.

The cash flow analysis, which comprises annual income streams, is based upon a number of justified assumptions. Having regard to the information obtained from market research CBRE have assumed the appropriate revenue for each component of the development. We have investigated the current market requirements for an investment return over a 10-year period from similar asset class. We hold regular discussions with investors active in the market, both as purchasers and owners of such properties. We have also had regard to the broader investment environment and our discount rate selection has been based on a similar relativity process.

CBRE have assumed that occupancy of the Subject Property will be lower at the beginning of the holding period but will grow steadily and will remain constant for the duration of the holding period. CBRE assessment of likely future costs is based on expenditure costs for comparable buildings managed by CBRE. All items of expense are expected to increase throughout the holding period. Operating expense is anticipated to rise in line or just above inflation, in part to reflect growing staff costs expected. Property maintenance and repair costs are anticipated to inflate over the holding period as the building ages and items require more frequent maintenance and/or replacement. Legal expenses and buildings insurance are anticipated to grow at a rate considered below anticipated inflation, reflecting the lack of general demand in the Cambodian market for these services and the likely increased competition suppliers will face in coming years.

The analysis is on a before tax basis, and whilst we have not qualified any potential taxation benefits associated with the property, we are of the view that this is an issue which a prospective purchaser would reflect in its consideration. The analysis is predicted on the assumption of a cash purchase. No allowance for interest and other funding costs have been made.

### 6.2.1 Discount Cash Flow Rational

Having regard to the information obtained from our market research and internal databases, CBRE have applied an appropriate rental rate for the Subject Property. In coming to this assumption, CBRE have considered rents for comparable developments in the vicinity of Phnom Penh:

After considering the wider market variables, CBRE have assumed that rental growth at the subject property will be stable (indexed CPI) over the holding period. We have adopted lease terms of one years for both the initial lease terms and hypothetical renewals. At lease expiry we have assumed income voids of less than one month. CBRE have based the expected service charge on the prevailing market rate for buildings of the subject nature, and that the service charges will rise over the investment period. The service charge is assumed to include common area utility costs, security, cleaning, and contributions towards building maintenance.

The analysis is predicted on the assumption of a cash purchase. No allowance for interest and other funding costs have been made. We have considered the current market requirements for an investment return over a 10-year period from residential properties. We hold regular discussions with investors active in the market, both as purchasers and owners of residential and commercial properties. From this evidence, we conclude that Phnom Penh market expectations of investment return are currently in the order of 7% to 9%.

### 6.2.2 Factors Considered in the Selection of Discount Rate

- A risk free rate can be derived from interest rates seen in the markets fixed deposits of one year which tend to be between 5% - 9%. There is no bond market in Cambodia, and information on interest rates for investments of a similar period to the assumed holding period are not openly available.
- The Subject Property represents a small portion of the total Phnom Penh residential stock, however it is a relatively shallow market, and without significant foreign investment there are few potential purchasers evident in the domestic market. If the regional economy were to contract and foreign investment dry up, disposal of the asset could become difficult to achieve.
- Over the investment period the Subject Property will likely face increasing competition from new developments and it is considered that rents may have to be reduced in order to maintain occupancy, this is not certain so has not been explicitly modelled but instead is reflected in the discount rate selected.
- The Phnom Penh residential market is expected to continue to increase in scale in the coming years. Uncertainty in the global markets and access to finance makes the threat of not achieving market yield expectations more of a risk.
- Political instability in Cambodia increases the risk of structural changes in the market occurring, as do global risk factors. The attractiveness of the properties location may also be impacted by neighbouring developments, which could also affect physical and functional aspects.
- The average occupancy rate for grade A serviced apartments in the current market is assessed by CBRE to be in the order of 85%. It is possible that as competition in the market increases the occupancy rate would drop below the 85% assumed by CBRE over the holding period. Although the Subject Property is an attractive prospect for occupiers at present it will face increased competition, as a result void periods may increase in the future and put downwards pressure on the occupancy rate.
- As the service apartment markets matures and further completion is introduced, tenants may seek to alter their leasing structures to increase flexibility, this may involve decreasing lease lengths or the introduction of break clauses.

### 6.2.3 Factors Considered in the Assumption of Expenditure

- Operating expenses are assumed to increase in line with the general trend in consumer price inflation seen during the last five years.
- Utilities costs are assumed to rise above inflation due to the expected increased costs involved with widening access to infrastructure and building supply capacity within Cambodia.
- Property management and maintenance costs are anticipated to rise above inflation, particularly towards the end of the holding period as a result of the asset aging.

- Legal and regulatory fees include the costs identified as 'fees and charges' in the documents provided by the Instructing Party. We have assumed they relate to professional service and legal work undertaken in relation to the property, and have escalated costs over the holding period at a below inflation level to reflect increasing competition in the provision of these services and relatively low level of demand in Cambodia.
- Buildings insurance is considered to rise at a lower than inflation level due to increased competition in the insurance market.
- Security and cleaning costs are included within Operating Expenses and are assumed to increase at the general rate of inflation.
- Inflation is at 3%, information has been sourced from Oxford Economics.

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6.3 Discounted Cash Flow Analysis:

LUMIERE RESIDENCE - DISCOUNTED CASHFLOW ANALYSIS											
Valuation Period	1	2	3	4	5	6	7	8	9	10	11
Year Ending	Jun-19	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29
<b>Growth Forecast</b>											
CPI Forecast	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Average compound CPI					5yrs	3%				10yrs	3%
Market Rent Growth (Index CPI)	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Average compound market rental growth					5yrs	3%				10yrs	3%
<b>Cashflow Criteria</b>											
Leaseup (mths)	1	1	1	1	1	1	1	1	1	1	1
Bad Debts Allowance & Lease-Up Period	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Capital Expenditure (% of Overall Gross Income)		3%		5%		7%		9%		11%	
<b>Apartment Units - Cashflow Forecast (All figures shown as \$1,000's)</b>											
Overall Net Lettable Area (sq.m)	11,350	11,350	11,350	11,350	11,350	11,350	11,350	11,350	11,350	11,350	11,350
<b>Income</b>											
Agv. Base Rent & Rental Growth	2,996	3,086	3,179	3,274	3,373	3,474	3,578	3,685	3,796	3,910	4,027
Forecasted Occupancy Level	45%	75%	85%	85%	85%	85%	85%	85%	85%	85%	85%
<b>Income at Forecasted Occupancy Level</b>	<b>\$ 1,348.42</b>	<b>\$ 2,314.78</b>	<b>\$ 2,702.12</b>	<b>\$ 2,783.18</b>	<b>\$ 2,866.68</b>	<b>\$ 2,952.68</b>	<b>\$ 3,041.26</b>	<b>\$ 3,132.50</b>	<b>\$ 3,226.47</b>	<b>\$ 3,323.27</b>	<b>\$ 3,422.96</b>
<b>Less Expenditure</b>											
Operating Expences (20% of Income)	270	463	540	557	573	591	608	626	645	665	685
Void/Bad Debts Allowance	67	116	135	139	143	148	152	157	161	166	171
<b>Net Income Apartment Units</b>	<b>\$ 1,011</b>	<b>\$ 1,736</b>	<b>\$ 2,027</b>	<b>\$ 2,087</b>	<b>\$ 2,150</b>	<b>\$ 2,215</b>	<b>\$ 2,281</b>	<b>\$ 2,349</b>	<b>\$ 2,420</b>	<b>\$ 2,492</b>	<b>\$ 2,567</b>
<b>Office - Cashflow Forecast (All figures shown as \$1,000's)</b>											
Overall Net Lettable Area (sq.m)	395	395	395	395	395	395	395	395	395	395	395
<b>Income</b>											
Agv. Base Rent & Rental Growth	104	107	111	114	117	121	125	128	132	136	140
Service Charge	9	10	10	10	11	11	11	12	12	12	13
Forecasted Occupancy Level	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Income at Forecasted Occupancy Level</b>	<b>\$ 114</b>	<b>\$ 117</b>	<b>\$ 121</b>	<b>\$ 124</b>	<b>\$ 128</b>	<b>\$ 132</b>	<b>\$ 136</b>	<b>\$ 140</b>	<b>\$ 144</b>	<b>\$ 148</b>	<b>\$ 153</b>
<b>Less Expenditure</b>											
Operating Expences (20% of Income)	23	23	24	25	26	26	27	28	29	30	31
Void/Bad Debts Allowance	6	6	6	6	6	7	7	7	7	7	8
<b>Net Income Office</b>	<b>\$ 85</b>	<b>\$ 88</b>	<b>\$ 91</b>	<b>\$ 93</b>	<b>\$ 96</b>	<b>\$ 99</b>	<b>\$ 102</b>	<b>\$ 105</b>	<b>\$ 108</b>	<b>\$ 111</b>	<b>\$ 115</b>
<b>Retail - Cashflow Forecast (All figures shown as \$1,000's)</b>											
Overall Net Lettable Area (sq.m)	144	144	144	144	144	144	144	144	144	144	144
<b>Income</b>											
Agv. Base Retail Rent	43	44	46	47	49	50	52	53	55	56	58
Service Charge	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.4	1.4
Forecasted Occupancy Level	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Income at Forecasted Occupancy Level</b>	<b>\$ 44</b>	<b>\$ 47</b>	<b>\$ 48</b>	<b>\$ 49</b>	<b>\$ 51</b>	<b>\$ 52</b>	<b>\$ 54</b>	<b>\$ 55</b>	<b>\$ 57</b>	<b>\$ 59</b>	<b>\$ 60</b>
<b>Less Expenditure</b>											
Operating Expences (20% of Income)	9	9	10	10	10	10	11	11	11	12	12
Void/Bad Debts Allowance	2	2	2	2	3	3	3	3	3	3	3
<b>Net Income Retail</b>	<b>\$ 33</b>	<b>\$ 35</b>	<b>\$ 36</b>	<b>\$ 37</b>	<b>\$ 38</b>	<b>\$ 39</b>	<b>\$ 40</b>	<b>\$ 42</b>	<b>\$ 43</b>	<b>\$ 44</b>	<b>\$ 45</b>
Capital Expenditure (% of Overall Gross Income)	-	56	-	111	-	165	-	225	-	291	-
<b>Total Net Income</b>	<b>\$ 1,130</b>	<b>\$ 1,803</b>	<b>\$ 2,153</b>	<b>\$ 2,107</b>	<b>\$ 2,284</b>	<b>\$ 2,188</b>	<b>\$ 2,423</b>	<b>\$ 2,271</b>	<b>\$ 2,571</b>	<b>\$ 2,357</b>	<b>\$ 2,727</b>
Present Value (PV) @ 7.5% Discount Rate	0.93	0.87	0.80	0.75	0.70	0.65	0.60	0.56	0.52	0.49	0.45
<b>Profit after PV</b>	<b>\$ 1,051</b>	<b>\$ 1,560</b>	<b>\$ 1,733</b>	<b>\$ 1,578</b>	<b>\$ 1,591</b>	<b>\$ 1,418</b>	<b>\$ 1,461</b>	<b>\$ 1,273</b>	<b>\$ 1,341</b>	<b>\$ 1,143</b>	<b>\$ 1,231</b>
Future Sale Price (Perpetuity @ 8%)											\$ 32,090
Less Selling Expense (at 2.5%)											\$ 802
Future Sales Price											\$ 31,288
Present Value of Sales Price											\$ 14,122
Future Cash Flow (1-11) @7.5% Discount Rate											\$ 15,380
<b>Adopted Total Present Value of Lumiere Residence</b>											<b>\$ 29,500,000.00</b>

## 7 Market Value Conclusion

Summary of Values		
Capitalisation Approach	USD \$	29,350,000.00
Discounted Cash Flow Analysis	USD \$	29,500,000.00
Variation in Valuation Approaches	USD	0.5%
<b>Adopted Value</b>	<b>USD \$</b>	<b>29,500,000.00</b>
Capital Value Rate (USD \$/sq.m of NLA)	USD \$	2,481

Having regard to the valuation approached detailed above, together with the available market evidence and prevailing conditions, and the assumptions and other factors stated in the report, we are of the opinion that the Market Value on an 'As Is' basis of "Lumiere Residence", Street 118, Mittapheap Commune, 7 Makara District, Phnom Penh, Cambodia, as at the 28<sup>th</sup> June 2019 was in the sum of;

**US \$29,500,000.00**

(Twenty Nine Million Five Hundred Thousand United States Dollars)

## 8 Limiting Conditions

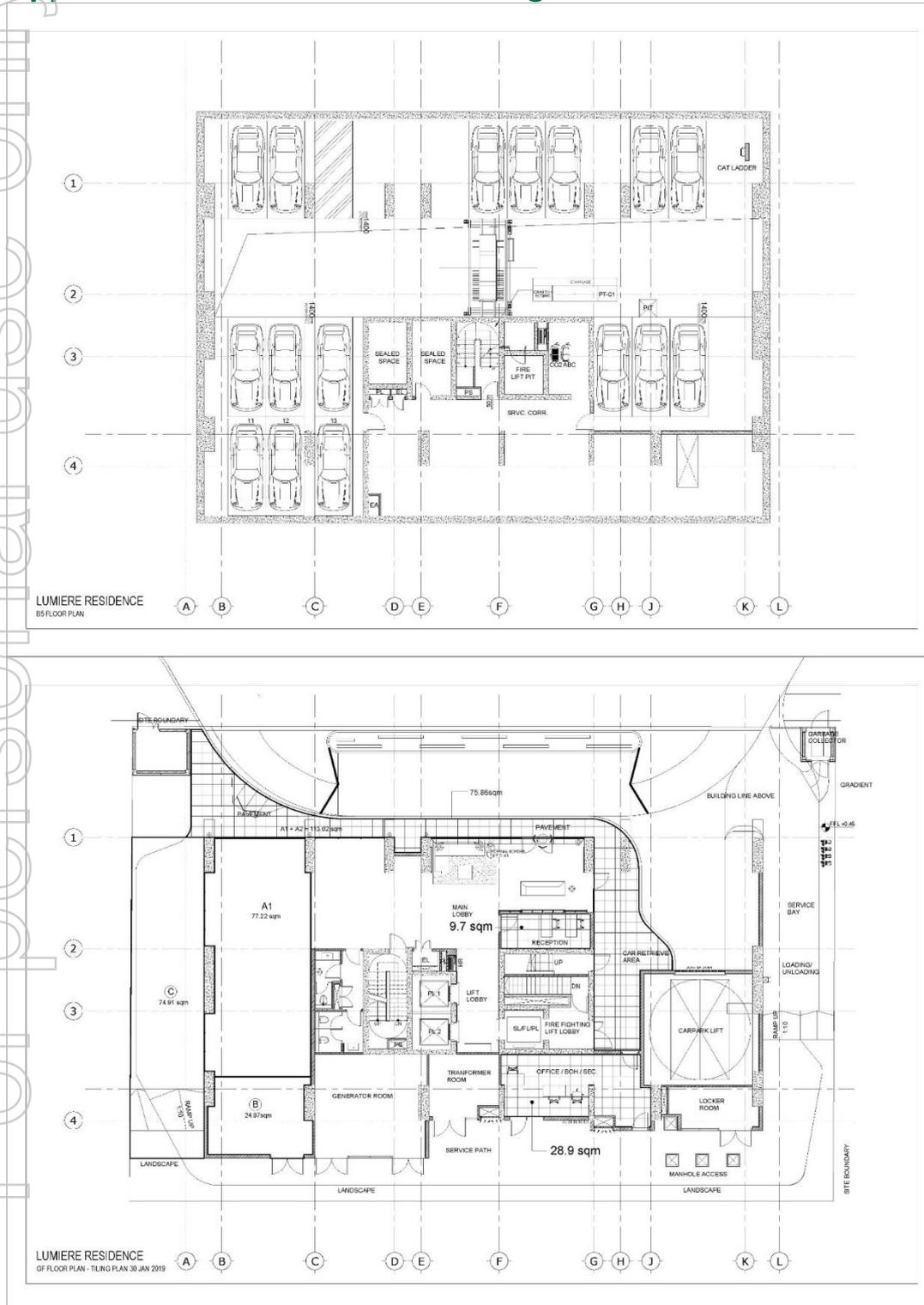
This valuation and report is subject to the following limiting conditions:

1. The responsibility of the company in connection with this study is limited to the client to whom the study is addressed and to that client only. CBRE Cambodia disclaims all responsibility and will accept no liability to any other party. The limit of our liability to the client is set at the level of our fee.
2. This report is confidential to the client for the specific purpose to which it refers. It may be disclosed to other professional advisors assisting the client in respect of that purpose if such advisors have signed a letter of prior agreement with CBRE Cambodia.
3. Neither the whole, nor any part, of this report nor any reference there to may be included in any published document, circular or statement nor published in any way without prior written approval in the form of a letter of consent from CBRE Cambodia. of the form and context in which it may appear. A separate letter of consent is required from CBRE Cambodia. on each and every occasion that the whole or a part of this report or any reference thereto is published in any way.
4. Where it is stated in the report that information has been supplied by another party, this information is believed to be reliable but CBRE Cambodia cannot accept any responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by enquiry from the Government or other appropriate departments.
5. CBRE Cambodia specifically excludes any responsibility or liability whatsoever in connection with any purchases, developments or loss of profits arising from reliance on this report.
6. The information in this report and assumptions used in the financial analysis may not materialize and unanticipated events and circumstances may occur, therefore, actual results achieved during the period covered by our projections may vary from our estimation and the variations may be material. Furthermore, we are not responsible for the effectiveness of management or the future marketing efforts and other management actions upon which actual results will depend.
7. The valuer's responsibility in connection with a valuation report is limited to the client to whom the report is addressed and to that client only. The valuer's disclaims all responsibility and will accept no liability to any other party. The limit of our liability to our client is set at the level of our fee.
8. The values assessed in the report for the Subject Property or land, and any allocation of values between parts of the property applies only in the terms of and for the purpose of the report. The values assessed should not be used in conjunction with any other assessment as they may prove incorrect if so used.

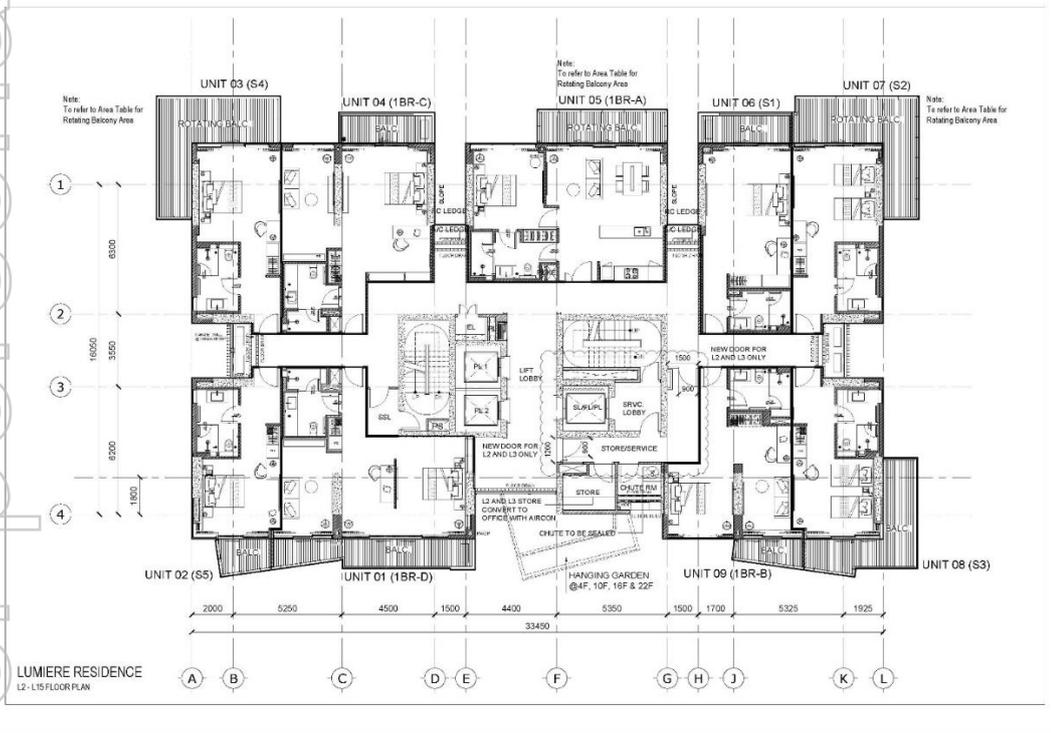
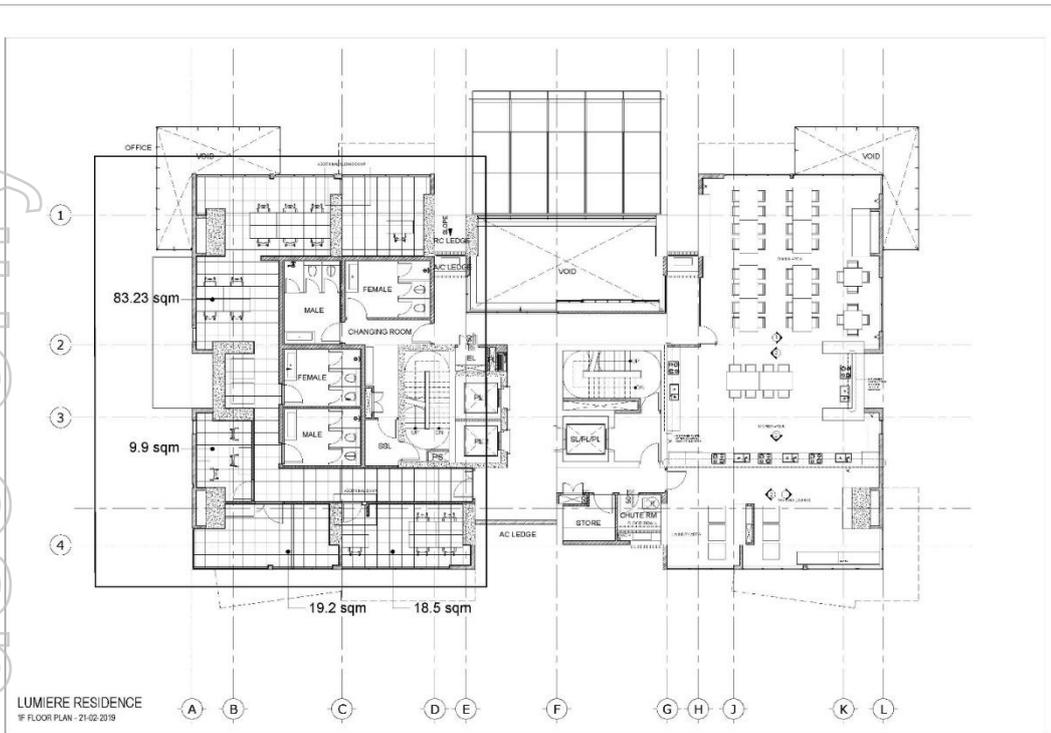
9. While due care is taken to note building or land defects in the course of inspection, no structural survey is made and no guarantee is given in respect to rot, termite or pest infestation or other hidden defects.
10. Where access to the property or land has not been attained and information pertaining to the property or land has been attained from another party, CBRE Cambodia cannot accept any responsibility if this information should prove not to be reliable.
11. Where market values are assessed, they reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting sale.
12. Any sketch, plan or map in this report is included to assist the reader in visualising the property. We have made no survey of the property and assume no responsibility in connection with such matters.
13. Where title deeds and documents have not been seen by the valuer and instead assumptions have been made, CBRE Cambodia specifically excludes any responsibility or liability whatsoever should such assumptions not reflect the actual situation.
14. Where assumptions about the occupation of land, existing leases, legal ownership, including possessory ownership rights, CBRE Cambodia specifically excludes any responsibility or liability whatsoever should such assumptions not reflect the actual situation.
15. Reports will be issued on the basis that the remaining fee will be settled within 15 days. CBRE Cambodia has no responsibilities to the client or any third parties should any of the fee be outstanding and, should the client or any third parties seek to rely or use this report under these circumstances, they should be fully responsible for all losses or damages that may arise and CBRE Cambodia waives all liabilities.

# Appendices

## Appendix I – Architectural Drawing

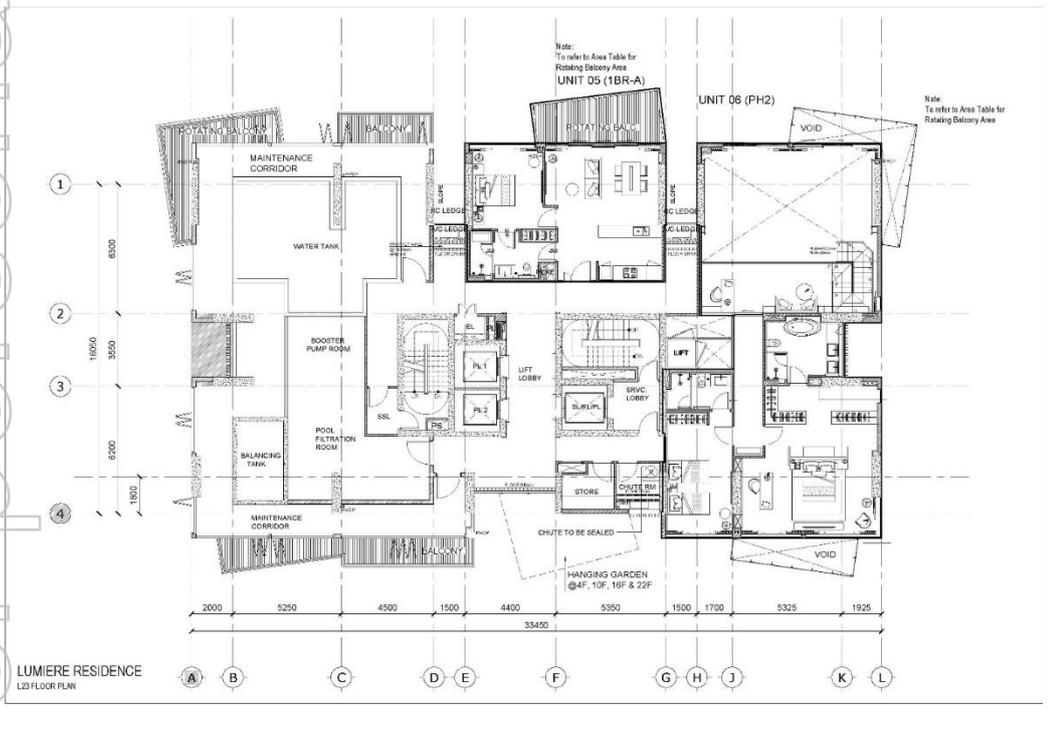
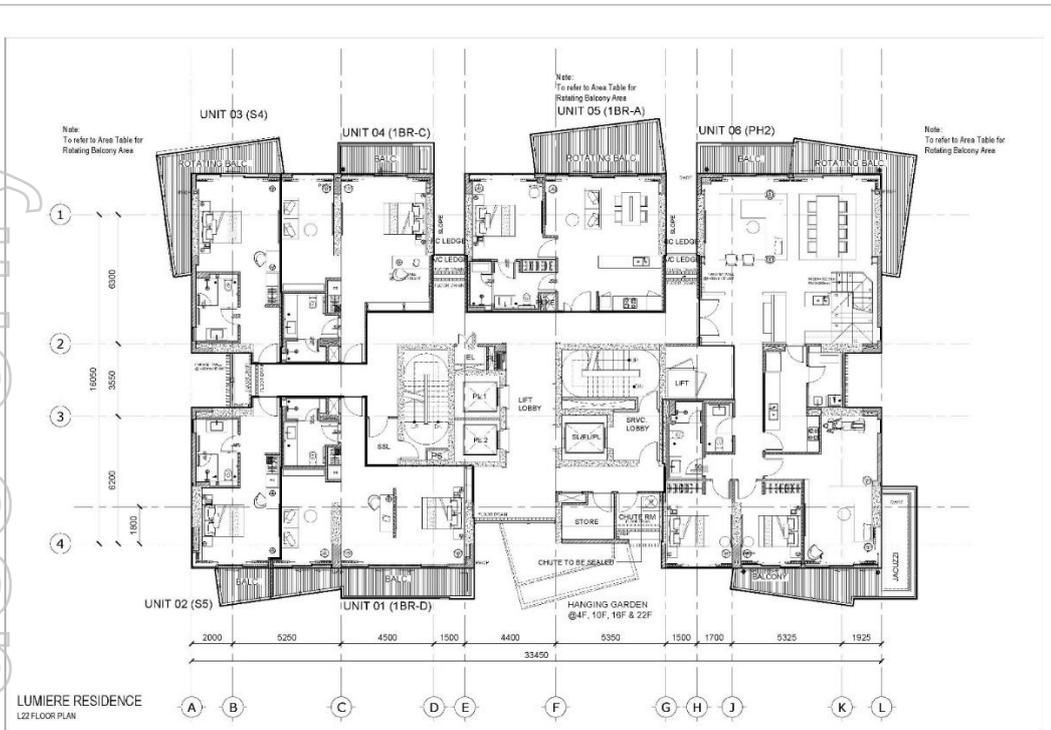


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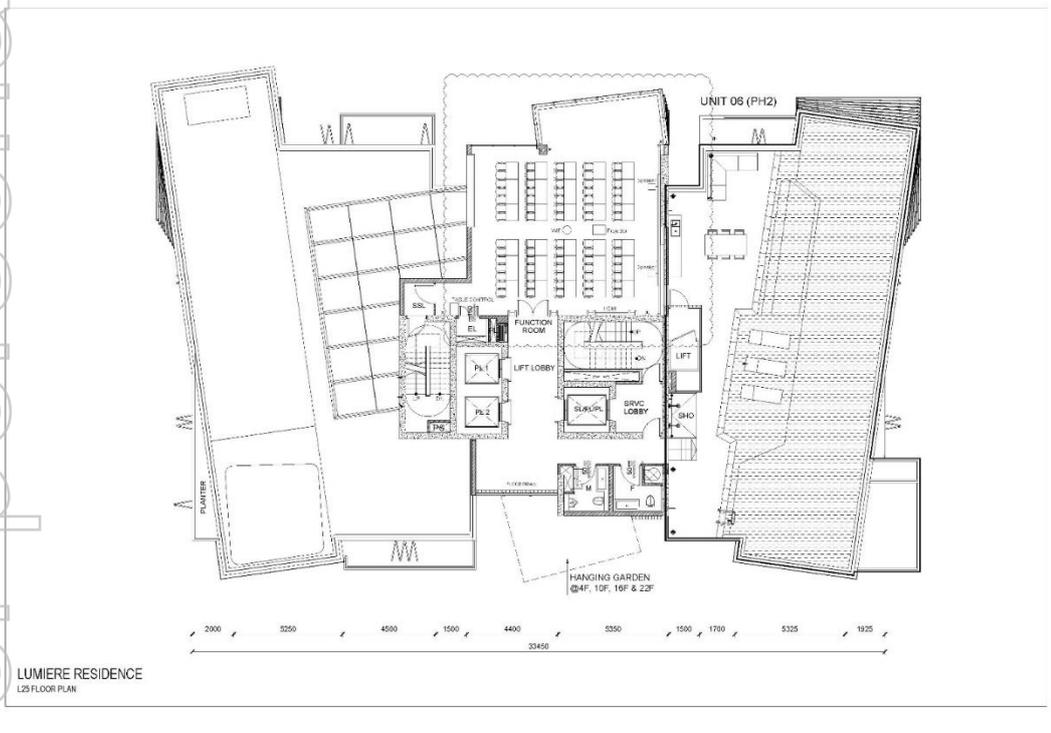
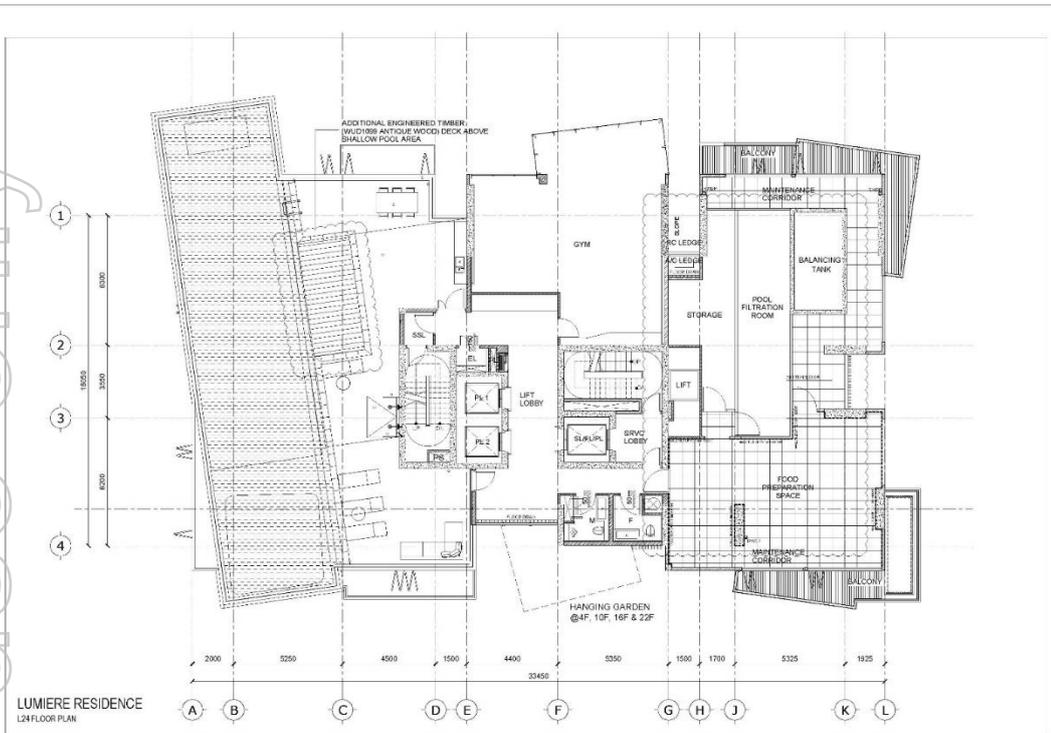




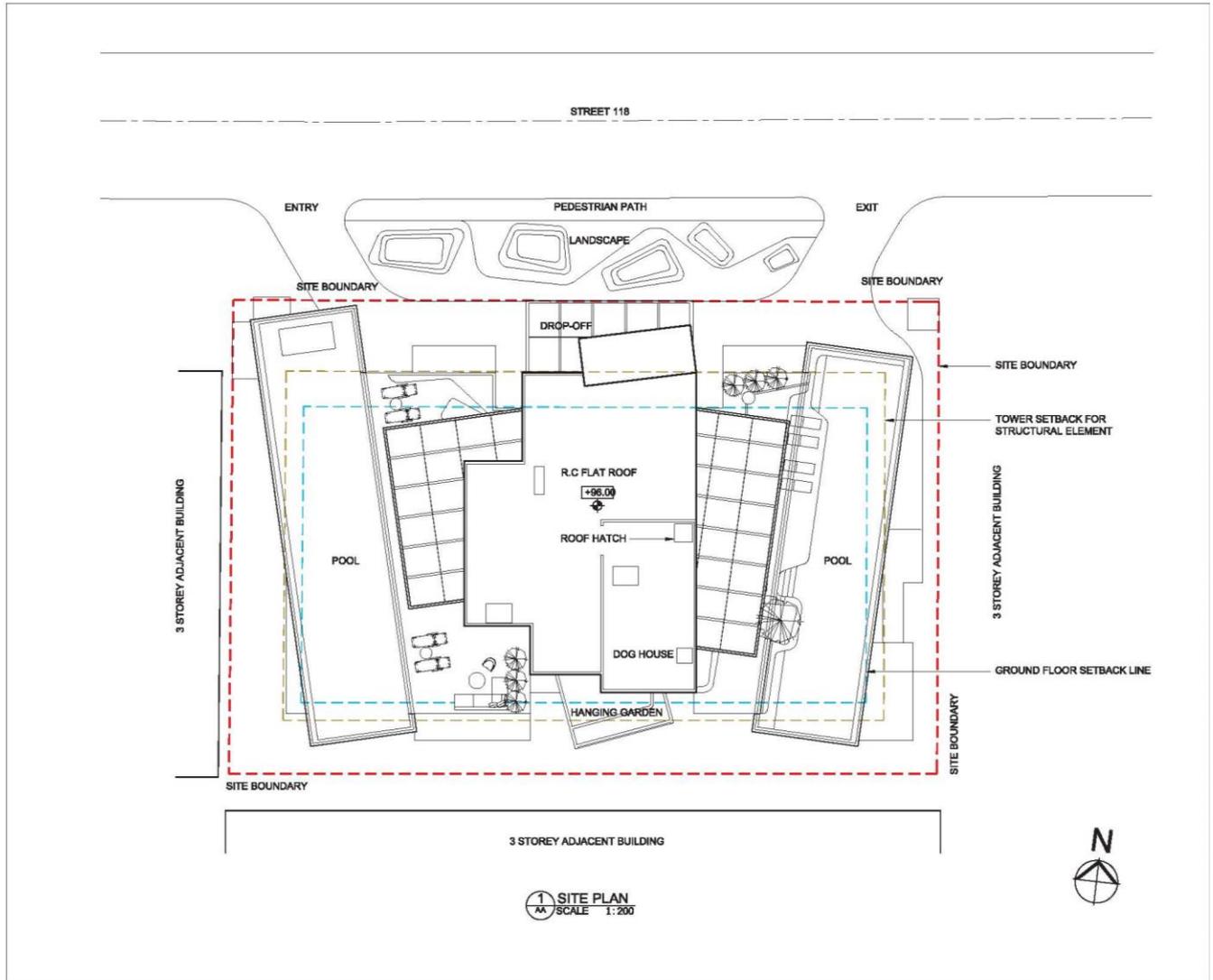
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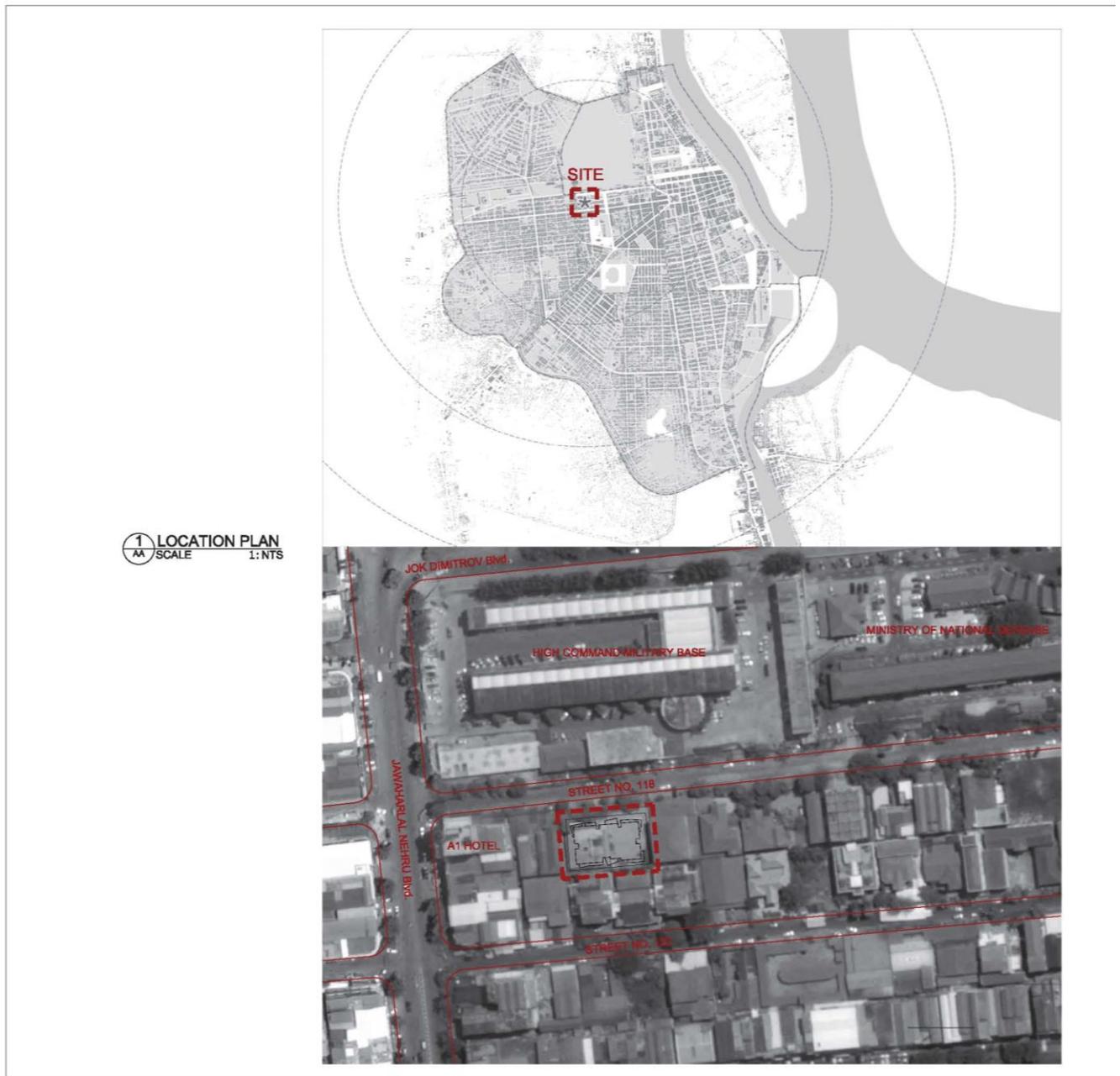


## Appendix II – Site Map & Plans



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All drawings provided by the Instructing Party

Appendix III – Valuation Licenses

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**ក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ**  
 លេខ ៤៧៩ សហវ.អឌហ

**ព្រះរាជាណាចក្រកម្ពុជា**  
**ជាតិ សាសនា ព្រះមហាក្សត្រ**

**អាជ្ញាប័ណ្ណត្រួតពិនិត្យតម្លៃ**  
**VALUATION LICENSE**



**ឈ្មោះក្រុមហ៊ុន** : អ៊ីស្តង់ទិច ប្រូប៊ែរី ស៊ីវិស ឯ.ក ( Advantage Property Services Co., Ltd. )

**តាម និងគោត្តនាមនាយកក្រុមហ៊ុន** : លោក Marc Villiers Townsend ភេទ ប្រុស ថ្ងៃខែឆ្នាំកំណើត ២០០២-០៦-០៩ រាជធានីភ្នំពេញ

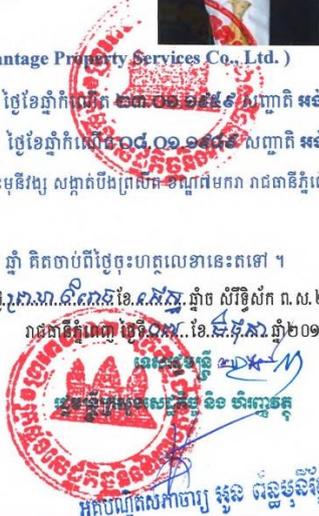
**ឈ្មោះអ្នកកាន់វិញ្ញាបនបត្រវិជ្ជាជីវៈ** : លោក James William Hodge ភេទ ប្រុស ថ្ងៃខែឆ្នាំកំណើត ១៩៧៤-០១-០៧ សញ្ជាតិ អង់គ្លេស

**ទីតាំងក្រុមហ៊ុន** : អគារ Phnom Penh Tower ជាន់ទី៩ មហាវិថីព្រះមុនីវង្ស សង្កាត់បឹងព្រលិត ខណ្ឌដំបូង រាជធានីភ្នំពេញ

**អត្តលេខក្រុមហ៊ុន** : EV-10-081

**សុពលភាពអាជ្ញាប័ណ្ណ** : អាជ្ញាប័ណ្ណនេះមានសុពលភាពរយៈពេល ០៣ ឆ្នាំ គិតចាប់ពីថ្ងៃចុះហត្ថលេខានេះតទៅ ។

ថ្ងៃ ខែ ឆ្នាំ ១៩ ខែ ៧ ឆ្នាំ ២០១៩ ឆ្នាំ ៧ ខែ ៧ ឆ្នាំ ២០១៩  
 រាជធានីភ្នំពេញ ថ្ងៃទី ០៧ ខែ ៧ ឆ្នាំ ២០១៩



អគ្គនាយកក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ  
 អគ្គប្រធាននាយកដ្ឋានត្រួតពិនិត្យតម្លៃ

**សំគាល់:** អ្នកកាន់អាជ្ញាប័ណ្ណ ត្រូវអនុវត្តទៅតាមប្រកាស ក្តីពីការត្រួតព្រងអាជីវកម្មធុរកិច្ចរបស់អាជ្ញាធរសេដ្ឋកិច្ច និងហិរញ្ញវត្ថុ និងលើកលែងតែអ្នក  
 ក្តីពីលក្ខខណ្ឌអនុវត្តអាជ្ញាប័ណ្ណសម្រាប់សេវាកម្មវាយតម្លៃ និងសេវាកម្មអនុវត្តត្រួតពិនិត្យតម្លៃដែលមានជាធរមាននៅព្រះរាជាណាចក្រកម្ពុជា ។

## Appendix IV – Signed Letter of Engagement



**Instructing Party:** Kingland (KH) Development Co., Ltd.  
**Attention:** Jeremiah Lee  
**Email:** jeremiah.lee@globaltechexchange.com

Date: 3<sup>rd</sup> May 2019

Dear Mr. Jeremiah Lee,

Letter of Engagement – Valuation of Residential Building

This letter of engagement (“LOE”) provides the commercial terms of the agreement between CBRE Cambodia and Kingland (KH) Development Co., Ltd.

**Property:** ‘Lumiere Serviced Apartment’, Street 118, Mittapheap Commune, 7 Makara District, Phnom Penh, Kingdom of Cambodia.

**Instructing Party :** Kingland (KH) Development Co., Ltd.  
 11th Floor, Exchange Square #19820, Wat Phnom Commune, Daun Penh District, Phnom Penh, Kingdom of Cambodia.

**Reliant Party:** Kingland (KH) Development Co., Ltd.

**Purpose of Valuation:** Internal Reference, to establish the Market Value for the Subject Property.

**Valuation Basis:** CBRE shall assess the Market Value of the Subject Property on **Income Approach**, in accordance with the highest and best use and consistent with local zoning codes, planning and other relevant local laws. CBRE shall prepare a valuation report that summarizes the value of the proposed Subject Property upon completion.

The report will be used for Internal Reference Purpose to establish the market value of the Subject Property upon completion.

Should any additional methods of valuation be required to determine the properties Market Value, CBRE Cambodia will negotiate a suitable additional fee with the Instructing Party prior to doing so.

CBRE Cambodia will provide a market commentary/overview for the real estate sector evident in the Subject Property (residential), including what patterns might be anticipated in the future and discernible patterns in real estate price appreciation in the context of location and development activity.

Page 2

**Market Value Definition:**

In accordance with the International Valuation Standards, the definition of Market Value is:

*“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

**Definition of Highest and Best Use:**

The International Valuation Standards of RICS defines the Highest and Best Use as: *“The use of an asset that recognizes its potential and that is possible, legally permissible and financially feasible.”*

**Valuation Date:**

Date of valuation will be date of inspection.

**Valuer Experience:**

The valuer preparing and issuing the valuation report shall have relevant experience and required qualifications to produce the required valuation report. All signatories to the valuation report are required to have inspected the subject property, the property land ownership and lease documents and all relevant material including data on comparable properties.

**Extension of Liability:**

The valuation will be prepared strictly and only for the use of the Reliant Party and for the Purpose specifically stated.

**Valuation Standards:**

All valuations will be conducted in accordance with the RICS valuation – Professional Standards (Red Book) and will also be compliant with IVSC valuation standards, where appropriate. All valuations will be undertaken by appropriately qualified professionals and the definition of market value and valuation methodologies will be in line with RICS and IVSC standards.

**Conflict of Interest:**

As of the date of this LOE, CBRE Cambodia is not aware of any conflict of interest which would prevent CBRE Cambodia from undertaking this assignment.

**CBRE Cambodia Right to Terminate:**

CBRE Cambodia is to provide the services as set out in accordance with this LOE and the Terms of Engagement. CBRE Cambodia declares that our valuer does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the property and is in a position to provide an objective and unbiased valuation. Notwithstanding this, or anything else contained in this LOE, CBRE Cambodia reserves its right to have absolute discretion to cease or terminate the engagement in the event that:

- A conflict of interest arises;
  - Any terms are changed by the Instructing Party or Reliant Party that CBRE Cambodia considers substantially changes the engagement; or
  - Any other reason that CBRE Cambodia is unable to continue carrying out the terms in this LOE.
- If CBRE shall fail to inform the Instructing Party of any conflict of interest which may arise, fulfil any of the material covenants, terms or conditions of this LOE, which failure shall be an event of default, the Instructing Party may terminate this Engagement Notice immediately, without prejudice to any additional rights and remedies to which the Instructing Party may be entitled in law or equity.

Such termination will be notified in writing to the Instructing Party (or any other party as necessary) and will be without recourse.



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**Information Required:**

- Copies of Title documentation;
- Location maps and floor plans;
- Provide relevant leases, legal documents, government approvals and permits provided (if available);
- Details on any encumbrance upon the site (if available);
- Any geotechnical reports or flood reports that may have been commissioned (if available); and
- Any information which you consider may be of use in this valuation exercise.

We may ask for additional information, if required, after the inspection has been made and analysis of the information provided has been completed.

If any of aforementioned information is not provided, the valuation may be delayed or may, in some cases, not be possible to complete. We recommend that all information pertaining to the property is provided to the valuer promptly and is not withheld.

**Provision of Information:**

CBRE Cambodia requires the full disclosure of all relevant information and matters applicable to the property to be valued that may have an impact upon the value and marketability of the property. Accordingly, we require you to provide us with the information set out in the information request. Please note that this request is not exhaustive and can be amended or updated by CBRE Cambodia from time to time. If you do not provide any part of the information requested for whatever reason, we may include special limiting conditions to our valuation service as necessary (including limitations on reliance). If the properties are subject to a contract for sale, we require a full copy (or access to read a full copy) of the sale and purchase agreement/sale contracts.

**Scope of Work:**

- The following procedure is proposed for this valuation exercise.
- Acceptance between CBRE Cambodia and the Instructing Party, regarding the Valuation Proposal and the methodology and conditions under which the valuation will be undertaken.
- Gather the required information related to the subject property.
- Review of all documents, including drawings and plans, if available.
- Conduct a site survey to ascertain the significance of the location of the Subject Property as well as the overall area.
- Analyse the information gathered from the relevant information provided by the Instructing Party, in conjunction with the information which is available from public sources and from CBRE Cambodia's investigations and internal database.
- Research recent comparable market transactions.
- Prepare a report that summarises the value of the Subject Property.

**Report Format:**

Our report for this engagement will be in Standard Report Format - This format contains the major assumptions and limiting conditions, property descriptions, ownership and encumbrance's description, our general comment on subject property, description of methodologies as well as value conclusion.

**Reporting Currency:**

The Currency in which the valuation is to be expressed will be US Dollar. If a second currency is requested to be included within the valuation it will be calculated and rounded based on the foreign exchange rate which is disclosed within the valuation.

**Report Language:**

Each valuation report will be provided in English.

**Deliverables:**

Final reports in PDF by e-mail (if required), one original and one copy report. Additional reports are available upon request, subject to agreeing an appropriate fee.

**Timing:**

- Timing will be dependent upon the timely provision of the necessary information to perform the engagement; we will endeavor to have the engagement completed on the following schedule.
- Draft Report – within five (5) working days of receipt of initial fee payment and all required information.
- Final Report – within a further five (5) working days or as agreed.

**Special Assumptions & Reservations:**

In this engagement there is no Special Assumption that would cause the valuation to deviate away from market value.

**Monetary Terms**

**Fee:**

Total: **USD \$5,450.00** (excluding VAT)  
 (Five Thousand Four Hundred Fifty United States Dollars)

- Full payment is required in advance and must be paid prior to works commencing.
- The fee invoice will be issued to the instructing party on receipt of signed LOE.
- The appraisal will be commenced upon receipt of first payment and a draft of the report will be submitted within five (5) working days.
- Upon submission of draft report, a period of five (5) working days will be provided for to allow for any comments or amendments to the draft report, after which final report will be submitted.
- Fee quotes is in US Dollars.
- The proposed fees remain valid for a period of up to three (3) months.
- The draft report will be submitted electronically by pdf.
- The final report will be submitted by pdf and by two bound hard copy documents (upon request).

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**Terms and Conditions:** This valuation and reports is subject to the following limiting conditions:

1. The responsibility of the company in connection with this study is limited to the client to whom the study is addressed and to that client only. Advantage Property Services Co., Ltd. trading as CBRE Cambodia disclaims all responsibility and will accept no liability to any other party. The limit of our liability to the client is set at the level of our fee.
2. This report is confidential to the client for the specific purpose to which it refers. It may be disclosed to other professional advisors assisting the client in respect of that purpose if such advisors have signed a letter of prior agreement with CBRE Cambodia.
3. Neither the whole, nor any part, of this report nor any reference thereto may be included in any published document, circular or statement nor published in any way without prior written approval in the form of a letter of consent from CBRE Cambodia of the form and content in which it may appear. A separate letter of consent is required from CBRE Cambodia on each and every occasion that the whole or a part of this report or any reference thereto is published in any way.
4. Where it is stated in the report that information has been supplied by another party, this information is believed to be reliable but CBRE Cambodia cannot accept any responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by enquiry from the Government or other appropriate departments.
5. CBRE Cambodia specifically excludes any responsibility or liability whatsoever in connection with any purchases, developments or loss of profits arising from reliance on this report.
6. The information in this report and assumptions used in the financial analysis may not materialize and unanticipated events and circumstances may occur, therefore, actual results achieved during the period covered by our projections may vary from our estimation and the variations may be material. Furthermore, we are not responsible for the effectiveness of management or the future marketing efforts and other management actions upon which actual results will depend.
7. The valuer's responsibility in connection with a valuation report is limited to the client to whom the report is addressed and to that client only. The valuer's disclaims all responsibility and will accept no liability to any other party. The limit of our liability to our client is set at the level of our fee.
8. The values assessed in the report for the subject property or land, and any allocation of values between parts of the property applies only in the terms of and for the purpose of this report. The values assessed should not be used in conjunction with any other assessment as they may prove incorrect if so used.
9. While due care is taken to note building or land defects in the course of inspection, no structural survey is made and no guarantee is given in respect to rot, termite or pest infestation or other hidden defects.

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10. Where access to the property or land has not been obtained and information pertaining to the property or land has been obtained from another party, CBRE Cambodia cannot accept any responsibility if this information should prove not to be reliable.
11. Where market rent values are assessed, they reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting sale.
12. Any sketch, plan or map in this report is included to assist the reader in visualising the property. We have made no survey of the property and assume no responsibility in connection with such matters.
13. Where title deeds and documents have not been seen by the valuer and instead assumptions have been made, CBRE Cambodia specifically excludes any responsibility or liability whatsoever should such assumptions not reflect the actual situation.
14. Where assumptions about the occupation of land, existing leases, legal ownership, including possessory ownership rights, CBRE Cambodia specifically excludes any responsibility or liability whatsoever should such assumptions not reflect the actual situation.
15. CBRE Cambodia has no responsibilities to the client or any third parties should any of the fee be outstanding and should the client or any third parties seek to rely or use the report under these circumstances, they should be fully responsible for all losses or damages that may arise and CBRE Cambodia waives all liabilities.

Valuation Report



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We trust this services proposal addresses your requirements. Should the above terms be acceptable to you, please confirm our appointment by signing and returning a duplicate of this Letter of Engagement via email to [darren.oshaughnessy@cbre.com](mailto:darren.oshaughnessy@cbre.com). Please note that it is CBRE Cambodia policy that no work can be commenced until the engagement is formalised through this process.

Should you have any queries, please feel free to contact our Phnom Penh Office – Mr. Darren O’Shaughnessy (+855) 95 777 484.

We thank you for the opportunity of providing you with a quotation for our services.

Yours faithfully,

For and on behalf of CBRE Cambodia

  
  
Name: Thida Ann  
Position: Director

Date: 03.05.2019

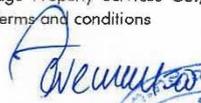
We hereby confirm to appoint

Advantage Property Services Co., Ltd on the above terms and conditions

Name: .....

For and on behalf of:

Kingsland (KH) Development Co., Ltd.


Date: 09.05.2019

Advantage Property Services Co., Ltd. (trading as CBRE Cambodia) Banking Details.

Bank: ANZ Royal Cambodia  
Account No.: (USD) 1137875  
Account Name: Advantage Property Services Co., Ltd  
SWIFT Code: ANZBKHPP  
VAT: K004-100160603

All bank fees and rated charges shall be borne by the client.

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## KEY CONTACTS

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Tonle Bassac Commune, Chamkarmon District  
12301 Phnom Penh, Kingdom of Cambodia

T 855 23 964099  
T 855 23 964088kh

APPENDIX D - GLOSSARY

In this report, unless the context requires otherwise:

Term	Meaning
<b>APES 225</b>	Accounting Professional & Ethical Standards Board professional standard APEX 225 'Valuation Services'
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Securities Exchange or ASX Limited ACN 008 624 691
<b>Business Day</b>	has the meaning given in the Listing Rules
<b>CBRE</b>	CBRE Cambodia which is part of the CBRE Group, Inc
<b>Company</b>	Kingsland Energy NL
<b>Control Basis</b>	As assessment of the Fair Value on an equity interest, which assumes the holder or holders have control of entity in which the equity is held
<b>DCF</b>	Discounted cash flows
<b>Development Completion</b>	Completion date of the One18 Residences
<b>Fair Value</b>	Unbiased estimate of the potential market price of a good, service, or asset.
<b>FME</b>	Future maintainable earnings
<b>IER</b>	This Independent Expert Report
<b>JVA</b>	Current joint venture agreement in respect to One18 Residences between Kingsland Cambodia and Max Credit. Detailed in section 4 of the report.
<b>Kingsland</b>	Kingsland Global Ltd
<b>Listing Rules</b>	the official listing rules of ASX and includes the business rules of ASX
<b>Max Credit</b>	Max Credit Pawn Pte Ltd
<b>Minority Basis</b>	As assessment of the Fair Value on an equity interest, which assumes the holder or holders do not have control of entity in which the equity is held
<b>Moore Stephens or MSPCS</b>	Moore Stephens Perth Corporate Services Pty Ltd
<b>MSPCS</b>	Moore Stephens Perth Corporate Services Pty Ltd
<b>NAV</b>	Net asset value
<b>NPV</b>	Net Present Value
<b>One18 Residences</b>	One18 residencies joint venture. Street 118 Mittaheap Commune, 7 Makara District, Phnom Penh, Cambodia
<b>Proposed Transaction</b>	Per section 4 of the report
<b>QMP</b>	Quoted market price
<b>RG 111</b>	ASIC Regulatory Guide 111 Contents of Expert's Reports
<b>RG 112</b>	ASIC Regulatory Guide 112 Contents of Expert's Reports
<b>S&amp;P Capital IQ</b>	An entity of Standard and Poors which is a third party provider of company and other financial information.
<b>SOP</b>	Some of parts
<b>Substantial Asset</b>	An asset that has a value in excess of 5% of the entity's equity interests as set out in the latest accounts given to ASX under the listing rules

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Term	Meaning
<b>Term Sheet</b>	Term sheet between Kingsland and Max Credit
<b>The Act</b>	The Corporations Act 2001
<b>The Company</b>	Kingsland Global Ltd
<b>Urban</b>	Urban Global Co Ltd
<b>VWAP</b>	Volume weighted average share price

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**MOORE STEPHENS**

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**KINGSLAND**  
GLOBAL

ARBN 607 085 790

**LODGE YOUR INSTRUCTION**

**ONLINE**  
www.linkmarketservices.com.au

**BY MAIL**  
Kingsland Global Ltd  
C/- Link Market Services Limited  
Locked Bag A14  
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**BY FAX**  
+61 2 9287 0309

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Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138

**ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



X99999999999

**VOTING FORM**

I/We being a member(s) of Kingsland Global Ltd and entitled to attend and vote hereby appoint:

**A DIRECTION TO CHESS DEPOSITORY NOMINEES PTY LTD**

I/We being a holder of CHESS Depository Interests (CDI) of Kingsland Global Ltd (the Company) hereby direct CHESS Depository Nominees Pty Ltd (CDN) to vote the shares underlying my/our CDI holding at the Annual General Meeting of the Company to be held at **10:00am (SGT) on Tuesday, 17 September 2019 at 15 Kwong Min Road, Singapore, (the Meeting)** and at any adjournment of that meeting, in the manner set out below.



OR

**B APPOINT A PROXY**

**the Chairman of the Meeting**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chess Depository Nominees Pty Ltd, as my/our proxy and to vote for me/us on my/ our behalf at the Annual General Meeting of the Company to be held at **10:00am (SGT) on Tuesday, 17 September 2019 at 15 Kwong Min Road, Singapore, (the Meeting)** and at any adjournment or postponement of the meeting.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

**VOTING DIRECTIONS**

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

**Resolutions**

Resolutions	For	Against	Abstain*	For	Against	Abstain*
1 Re-election of Sok Hang Chaw as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
2 Approval of Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
3 Approval of Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
4 Approval to Issue Shares and Instruments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
				5 Approval of Disposal	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED**

CDI Holder 1 (Individual)

Sole Director and Sole Company Secretary

CDI Holder 2 (Individual)

Director/Company Secretary (Delete one)

CDI Holder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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STEP 1 Please mark either A or B

STEP 2

STEP 3



## HOW TO COMPLETE THIS VOTING FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the company's CDI register. If this information is incorrect, please make the correction on the form. CDI holders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your CDIs using this form.**

### DIRECTION TO CHESS DEPOSITORY NOMINEES PTY LTD BOX A

Each CHESS Depository Interest (CDI) is evidence of an indirect ownership in a Common Share. The underlying Common Shares are registered in the name of CHESS Depository Nominees Pty Ltd (CDN). As holders of CDI's are not the legal owners of the Common Shares, CDN is entitled to vote at meetings of shareholders on the instruction of the registered holder of the CDI's. For voting purposes each CDI is equivalent to one Common Share.

### VOTING UNDER BOX B – APPOINTMENT OF A PROXY

If you do not wish to appoint Chess Depository Nominees Pty Ltd (CDN) as your proxy by marking Box A, please mark Box B to appoint the Chairman of the Meeting as your proxy or write the name of the Person or body Corporate you are appointing as your proxy. If you leave this section blank, or your named proxy does not attend the meeting, the Chess Depository Nominee Pty Ltd will be your proxy. A proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Voting Form may be obtained by telephoning the company's security registry or you may copy this form.

To appoint a second proxy you must:

- on each of the first Voting Form and the second Voting Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either securityholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A VOTING FORM

This Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (SGT) on Sunday, 15 September 2019**, being not later than 48 hours before the commencement of the Meeting. Any Voting Form received after that time will not be valid for the scheduled Meeting.

Voting Forms may be lodged:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Voting Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Voting Form).



#### BY MAIL

Kingsland Global Ltd  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)



### COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**