ALLIED TECHNOLOGIES LIMITED
(Company Registration No. 199004310E)
(Incorporated in the Republic of Singapore)

Directors:
Mr. Lim Chee San *(Independent Non-Executive Chairman)*
Mr. Choo Weng Wah *(Executive Director)*
Mr. Low Si Ren Kenneth *(Executive Director)*
Mr. Davy J Goh *(Independent Director*)
Mr. Lim Jin Wei (*Independent Director)*
Ms. Pok Mee Yau (*Independent Director*)

Registered Office:
2 Venture Drive
#16-09
Vision Exchange
Singapore 608526

11 August 2022

To: The Shareholders of the Company

Dear Sir/Madam,

REVISION OF VOLUNTARY CONDITIONAL CASH OFFER BY SRS AUTO HOLDINGS PTE. LTD. FOR THE OFFER SHARES

1. INTRODUCTION

1.1. Offer

On 8 July 2022, SRS Auto Holdings Pte. Ltd. (the "**Offeror**") issued the offer document (the "**Offer Document**") setting out, *inter alia*, the terms and conditions of the voluntary conditional cash offer (the "**Offer**") to acquire all the ordinary shares (the "**Shares**") in the capital of Allied Technologies Limited (the "**Company**") including those Shares already owned or controlled, directly or indirectly, or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror, as at the date of the Offer.

1.2. Offeree Circular

On 22 July 2022, the Company issued a circular to shareholders of the Company (the "**Shareholders**") in relation to the Offer (the "**Circular**"), containing with relevant information pertaining to the Company and the Offer, and to set out the recommendation of the directors who are considered independent for the purposes of the Offer, namely Mr. Lim Chee San, Mr. Davy J Goh, Mr. Lim Jin Wei and Ms. Pok Mee Yau (the "**Independent Directors**") and the advice of the independent financial adviser in connection with the Offer, Xandar Capital Pte. Ltd. (the "**IFA**").

1.3. Revision of the Offer

On 3 August 2022, the Offeror made an announcement (the "**Offer Revision Announcement**") that the Offer would be revised in the manner described in Section 2 below. The Company had on 4 August 2022, released an announcement in response to the Offer Revision Announcement (the "**Offeree Response Announcement**").

1.4. Revision Notification

Shareholders should by now have received a copy of the written notification to Shareholders dated 5 August 2022 ("**Revision Notification**") despatched by the Offeror setting out, *inter alia*, the revisions to the Offer.

Copies of the Offer Revision Announcement, the Offeree Response Announcement and the Revision Notification are available on the website of the SGX-ST at www.sgx.com.

Shareholders are advised to read the Offer Revision Announcement, the Offeree Response Announcement and the Revision Notification carefully.

1.5. Definitions

Unless otherwise defined, all terms and expressions used in this supplemental letter ("**Supplemental Letter**") shall have the same meanings as those defined in the Circular.

References to the "**Latest Practicable Date**" in this Supplemental Letter refer to 5 August 2022.

1.6. Purpose of this Supplemental Letter

The purpose of this Supplemental Letter, which supplements the Circular, is to provide Shareholders with relevant information pertaining to the Company and the revised Offer, and to set out the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors with regard to the revised Offer.

This Supplemental Letter is important as it contains the recommendation of the Independent Directors and the advice of the IFA with regard to the revised Offer. This Supplemental Letter requires the immediate attention of Shareholders, who are advised to read it carefully.

If you are in any doubt in relation to this Supplemental Letter or as to the action you should take, you should consult your stockbroker, bank manager, legal adviser, accountant, tax adviser or other professional adviser immediately.

2. REVISION THE OFFER PRICE

2.1. Final Offer Price

As stated in Section 2.1 of the Offer Revision Announcement, the Offeror (a) is revising the Offer Price from S$0.0088 per Offer Share to **S$0.011 per Offer Share** (the "**Final Offer Price**"); and (b) **does not intend to increase the Final Offer Price of S$0.011 in cash per Offer Share under any circumstances whatsoever**. Therefore, in accordance with Rule 20.2 of the Singapore Code on Take-overs and Mergers (the "**Code**"), the Offeror will not be allowed to subsequently increase the Final Offer Price.

As stated in the Offer Revision Announcement, Shareholders who have earlier accepted the Offer are entitled to the Final Offer Price. Accordingly, no further action in respect of the Offer is required to be taken by Shareholders who have already accepted the Offer.

2.2. Extension of Closing Date

As stated in Section 5 of the Offer Revision Announcement, in accordance with Rule 20.1 of the Code, the Offer must be kept open for at least 14 days from the date of posting of the Revision Notification to Shareholders. The Offer will be open for acceptances until **5.30 p.m. (Singapore time) on 19 August 2022** or such later date(s) as may be announced from time to time by or on behalf of the Offeror (the "**Closing Date**").

2.3. Other Terms

As stated in Section 2.3 of the Offer Revision Announcement, save for revision of the Offer Price and the extension of the Closing Date, all the other terms and conditions of the Offer as set out in the Offer Document remain unchanged.

3. ADVICE AND RECOMMENDATION IN RESPECT OF THE REVISED OFFER

3.1. IFA

Xandar Capital Pte. Ltd. has been appointed as the IFA to advise the Independent Directors in respect of the revised Offer. Shareholders should read and consider carefully the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors in their entirety before deciding whether or not to accept or reject the revised Offer. The advice of the IFA to the Independent Directors is set out in its supplemental letter dated 11 August 2022, which is reproduced in Appendix I to this Supplemental Letter (the "**Supplemental IFA Letter**").

3.2. Advice of the IFA to the Independent Directors on the revised Offer

The following are extracts from Section 6 of the Supplemental IFA Letter and should be read in conjunction with, and interpreted in, the full context of the Supplemental IFA Letter. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Supplemental IFA Letter. **Shareholders should read and consider carefully the key considerations relied upon by the IFA, in arriving at its advice to the Independent Directors.**

Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Revised Offer. We have carefully considered as many factors as we deemed essential and balanced them before arriving at our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration when assessing the "fairness" of the Revised Offer:

Factors for the Final Offer Price

(i) the P/E ratio of the Group as implied by the Final Offer Price is within the range and higher than the mean and median corresponding ratios of the Comparable Companies.

Factors against the Final Offer Price

(a) the Final Offer Price represents discounts to the VWAP of the Shares for the periods prior to the Last Market Day;

(b) the Final Offer Price represents a discount of approximately S$0.0209 or 65.5% to the ANAV per Share, or a P/ANAV ratio of approximately 0.35 times;

(c) the EV/EBITDA ratio of the Group as implied by the Final Offer Price is lower than the mean and median corresponding ratios of the Comparable Companies;

(d) the P/ANAV ratio of the Group as implied by the Final Offer Price is lower than the mean and median corresponding ratios of the Comparable Companies;

(e) the P/ANAV ratio of the Group implied by the Final Offer Price is within the range but much lower than the mean and median P/NAV (or P/RNAV) ratios of the Privatisation Transactions; and

(f) the Final Offer Price is below the estimated value of the Shares which range between approximately S$0.0298 and approximately S$0.0305 for each Offer Share as set out

in paragraph 6.6 of this Supplemental IFA Letter.

We set out below a summary of the key factors we have taken into our consideration when assessing the "reasonableness" of the Revised Offer:

Factors for the Final Offer Price

(I) the trading of the Shares has been suspended for more than three (3) years, and the Revised Offer is presently the only available option to Shareholders who wish to exit their investment in the Company; and

(II) as at 3 August 2022, the Offeror has received valid acceptances in respect of 414,932,219 Shares, representing approximately 23.44% of the total number of issued Shares and need to receive acceptances of another 395,940,909 Shares (representing approximately 22.37% of the total number of issued Shares) to meet the Minimum Acceptance Condition.

Factors against the Final Offer Price

(A) the Group generated profits (albeit generally less than S$1 million except for FY2021) for FY2020, FY2021 and 1Q2022; and

(B) excluding the Allied Funds, the Group's financial position is relatively healthy as at 31 March 2022.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Revised Offer, on balance, are not fair and not reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to reject the Revised Offer.

3.3. Independence of Directors

For the reasons set out in Section 11.3 of the Circular, Mr. Low Si Ren, Kenneth and Mr. Choo Weng Wah (the "**Non-Independent Directors**") have been exempted by the Securities Industry Council of Singapore from the requirement to make a recommendation to Shareholders in connection with the Offer as they face irreconcilable conflicts of interest being concert parties of the Offeror. Notwithstanding such exemption, each of the Non-Independent Directors shall remain responsible for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

The Independent Directors are Mr. Lim Chee San, Mr. Davy J Goh, Mr. Lim Jin Wei and Ms. Pok Mee Yau and all the Independent Directors consider themselves independent for the purposes of making a recommendation to the Shareholders in relation to the Offer.

3.4. Recommendation of the Independent Directors

As set out in Section 11.4 of the Circular, the Independent Directors had previously recommended, based on the initial terms and conditions of the Offer, that Shareholders reject the Offer.

Subsequent to the Offer Revision Announcement, the Independent Directors, having considered carefully the terms of the revised Offer and the advice given by the IFA in the Supplemental IFA Letter, **CONCUR** with the advice of the IFA in respect of the revised Offer and accordingly, the Independent Directors recommend the Shareholders to **REJECT** the revised Offer.

Shareholders are advised to read the terms and conditions of the Offer Document and the Offer Revision Announcement carefully. Shareholders are also advised to read and consider carefully the recommendation of the Independent Directors and the Supplemental IFA Letter set out in Appendix I to this Supplemental Letter and other relevant information set out in this Supplemental Letter in their entirety before deciding whether to accept or reject the revised Offer. Shareholders should note that the IFA's advice to the Independent Directors and the recommendation of the Independent Directors in respect of the revised Offer should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the revised Offer.

3.5. No regard to specific objectives

In rendering the above advice and making above recommendation, the IFA and the Independent Directors have not had regard to the general or specific investment objectives, financial situation, tax status or position, risk profiles or unique needs and constraints and circumstances of any individual Shareholder. **As different Shareholder would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his/her investment objectives or portfolio, should consult his/her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

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

4. DIRECTORS' INTENTIONS

To further clarify Mr. Lim Chee San's intention in respect of voting and/or accepting or declining the Offer in respect of his respective holdings of Shares as at the Latest Practicable Date, he has not accepted the Offer as at the date of this Supplemental Letter. As such, his intention is to take any action whether to accept or reject the Offer only closer to the last day for acceptances of the Offer.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

5.1. Acceptance procedures for Shareholders

Shareholders who have validly accepted the Offer prior to the date of the Offer Revision Announcement are not required to take any action in relation to the revised Offer.

Shareholders who **wish to accept the Offer** but have not done so may do so no later than the Closing Date or such later date(s) as may be announced from time to time by or on behalf of the Offeror, following the procedures for acceptance of the Offer as set out in Appendix 2 to the Offer Document, the Form of Acceptance and Authorisation and/or the Form of Acceptance and Transfer (as the case may be) (collectively, the "**Relevant Acceptance Forms**" and each, a "**Relevant Acceptance Form**") which has previously been despatched to Shareholders by the Offeror on 8 July 2022. Electronic copies of the Relevant Acceptance Forms are also available on the website of the SGX-ST at www.sgx.com.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received on behalf of the Offeror:

(a) by The Central Depository (Pte) Limited (in respect of the Form of Acceptance and Authorisation); or

(b) by the Share Registrar (as defined in the Offer Document) (in respect of the Form of Acceptance and Transfer),

as the case may be, not later than the Closing Date or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

As stated in Section 2.2 of the Offer Revision Announcement, for the avoidance of doubt, Shareholders may use the existing Relevant Acceptance Forms that were despatched with the Offer Document to accept the Offer at the Final Offer Price.

Shareholders who **do not wish to accept the Offer** need not take any further action in respect of the Offer Document, the Relevant Acceptance Forms which have been sent to them.

5.2. Acceptance procedures for CPFIS Investors and SRS Investors

CPFIS Investors and SRS Investors who wish to accept the revised Offer but who have not done so should contact their respective CPF Agent Banks and SRS Agent Banks (as the case may be) as to the deadline by which such banks would need to receive instructions in order to accept the revised Offer prior to the Closing Date.

6. MATERIAL CHANGES IN INFORMATION

Save as disclosed in publicly available information on the Company (including but not limited to the announcements released by the Company on the SGXNET), there have been no material changes in any information previously announced by or on behalf of the Company during the period commencing from 15 July 2022, being the latest practicable date prior to the electronic dissemination of the Circular, and ending on 5 August 2022, being the Latest Practicable Date prior to the electronic dissemination of this Supplemental Letter.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Supplemental Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Supplemental Letter (other than those relating to the Offeror, information in the Offer Document, the Offer Revision Announcement, announcements made by the Offeror and the Supplemental IFA Letter as set out in Appendix I to this Supplemental Letter) are fair and accurate and that no material facts have been omitted from this Supplemental Letter, the omission of which would make any statement in this Supplemental Letter misleading. The Directors jointly and severally accept full responsibility accordingly.

In respect of the Supplemental IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are, to the best of their knowledge and belief, fair and accurate.

Where any information in this Supplemental Letter has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror (including without limitation, information extracted from the Offer Document, the Offer Revision Announcement, announcements made by the Offeror and the Supplemental IFA Letter), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Supplemental Letter in its proper form and context.

The recommendation of the Independent Directors to the Shareholders set out in Section 3.4 of this Supplemental Letter is the sole responsibility of the Independent Directors.

8. CONSENT

The IFA has given and has not withdrawn its written consent to the issue of this Supplemental Letter with the inclusion of its name, the Supplemental IFA Letter as set out in Appendix I to this Supplemental Letter, and all references to the IFA's name, in the form and context in which they appear in this Supplemental Letter.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Share Registrar at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 during normal office hours upon prior appointment with the Share Registrar for the period for which the Offer remains open for acceptance:

(a) the Supplemental IFA Letter as set out in Appendix I to this Supplemental Letter; and

(b) the letter of consent referred to in Section 7 of this Supplemental Letter.

Yours faithfully

For and on behalf of
the Board of Directors of
ALLIED TECHNOLOGIES LIMITED

Ong Lizhen, Daisy
Chief Financial Officer

APPENDIX I – SUPPLEMENTAL LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE REVISED OFFER

11 August 2022

ALLIED TECHNOLOGIES LIMITED
2 Venture Drive
#16-09 Vision Exchange
Singapore 608526

Attention: The Independent Directors (as defined herein)

VOLUNTARY CONDITIONAL CASH OFFER (THE "OFFER") BY SRS AUTO HOLDINGS PTE. LTD. (THE "OFFEROR") TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES (EXCLUDING TREASURY SHARES) IN THE CAPITAL OF ALLIED TECHNOLOGIES LIMITED (THE "COMPANY"), OTHER THAN THOSE SHARES HELD, DIRECTLY OR INDIRECTLY BY THE OFFEROR AS AT THE DATE OF THE OFFER (THE "OFFER SHARES")
- REVISION OF OFFER PRICE (THE "REVISED OFFER")

*Unless otherwise defined, the terms used herein shall have the same meaning ascribed to them in in the circular dated 22 July 2022 (the "**Circular**") and the supplemental letter dated 11 August 2022 (the "**Supplemental Letter**") issued by Allied Technologies Limited (the "**Company**") to its shareholders (the "**Shareholders**") in connection with the Offer and the Revised Offer.*

1. INTRODUCTION

On 17 June 2022 (the "**Offer Announcement Date**"), the Offeror announced that it intends to make a voluntary conditional cash offer for all the issued and paid-up ordinary shares ("**Shares**") (excluding treasury shares) in the capital of Allied Technologies Limited (the "**Company**"), other than those Shares held, directly or indirectly, by the Offeror, as at the date of the Offer.

On 8 July 2022, the Offeror announced that it has electronically disseminated the Offer Document to the Shareholders.

On 22 July 2022, the Company announced that it has electronically disseminated the Circular to the Shareholders.

On 3 August 2022 (the "**Revised Offer Announcement Date**"), the Offeror announced that it:

(a) is revising the Offer Price from S$0.0088 per Offer Share to S$0.011 per Offer Share (the "**Final Offer Price**"); and

(b) does not intend to increase the Final Offer Price of S$0.011 in cash per Offer Share under any circumstances whatsoever.

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On 5 August 2022, the Offeror announced that it has electronically disseminated the written notification of the Revised Offer.

In connection with thereof, the Company has appointed Xandar Capital Pte. Ltd. ("**Xandar Capital**") as the independent financial adviser (the "**IFA**") to the board of directors of the Company (the "**Directors**") who are considered independent for the purpose of making a recommendation in relation to the Revised Offer, namely, Mr. Lim Chee San, Mr. Davy J Goh, Mr. Lim Jin Wei and Ms. Pok Mee Yau (collectively, the "**Independent Directors**") to assess the terms of the Revised Offer, and advise (a) whether the terms of the Revised Offer are fair and reasonable; and (b) whether the Shareholders holding the Offer Shares should accept or reject the Revised Offer.

This letter sets out, *inter alia*, our evaluation and advice in respect of the Revised Offer (this "**Supplemental IFA Letter**"), and forms part of the Supplemental Letter which provides, *inter alia*, the details of the Revised Offer as well as the recommendation of the Independent Directors in respect of the Revised Offer.

2. TERMS OF REFERENCE

Xandar Capital has been appointed as the IFA to advise the Independent Directors on (a) whether the terms of the Revised Offer are fair and reasonable; and (b) whether the Shareholders should accept or reject the Revised Offer.

We are not and were not involved in any aspect of the negotiations pertaining to the Revised Offer. We are not required nor authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares, and therefore are not able to, and will not compare the Revised Offer to any other alternative transaction. We are also not addressing the relative merits of the Revised Offer as compared to any alternative transaction, or other alternatives, or whether such alternatives could be achieved, or are or will be available in future.

Our evaluation is limited to the terms of the Revised Offer, and our terms of reference do not require us to evaluate or comment on the legal, strategic or commercial and/or risks or merits (if any) of the Revised Offer.

In the course of our evaluation, we have reviewed publicly available financial information relating to the Company and its subsidiaries (the "**Group**"). However, we have not made any independent evaluation or appraisal of each of the assets or liabilities (including without limitation, freehold land, leasehold land and leasehold properties) of the Group.

We have not been provided with any financial projections or forecasts in respect of the Company or the Group. The scope of our engagement does not require us to express, and we do not express, any view on the future growth prospects, financial position or earnings potential of the Company and/or the Group. Such evaluation shall remain the sole responsibility of the Directors, although we may draw upon their views (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Supplemental IFA Letter.

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In the course of our evaluation, we have held discussions with certain Directors and management of the Company and have examined publicly available information as well as information provided and representations made to us by the aforesaid parties, including information in the Circular and the Supplemental Letter. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation and assurance. We have nevertheless made reasonable enquiries and exercised our judgment as we deemed necessary or appropriate on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

The Directors (including those who may have delegated detailed supervision of the Supplemental Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in the Supplemental Letter (other than those relating to the Offeror, parties acting in concert with the Offeror, the Offer, the Revised Offer, the IFA, the IFA Letter dated 8 July 2022 and this Supplemental IFA Letter) are fair and accurate and that no material facts have been omitted from the Supplemental Letter, the omission of which would make any statement in the Supplemental Letter misleading. The Directors jointly and severally accept full responsibility accordingly. In respect of this Supplemental IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated herein with respect to the Group are, to the best of their knowledge and belief, fair and accurate. Where any information in the Supplemental Letter (other than this Supplemental IFA Letter for which the IFA takes responsibility) has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in the Supplemental Letter in its proper form and context.

Our advice is based upon economic, industry, market, monetary, regulatory and other relevant conditions subsisting and the information provided to us as at 5 August 2022, being the Latest Practicable Date (the "**Latest Practicable Date**") for the Supplemental Letter. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our advice in light of any subsequent development after the Latest Practicable Date that may affect our advice contained herein. Shareholders should take note of any announcements and/or events relevant to their consideration of the Revised Offer which may be released or occur after the Latest Practicable Date.

In preparing this Supplemental IFA Letter, we did not consider the specific investment objectives, financial situation, risk profiles, tax position and/or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. We recommend that Shareholders who may require specific advice in relation to their Shares, investment objectives or portfolios to consult their stockbroker, bank manager, legal, financial, tax or other professional advisers immediately.

This Supplemental IFA Letter is for the use and benefit of the Independent Directors in connection with and for the purpose of their consideration of the Revised Offer, and the recommendation made by the Independent Directors shall remain their responsibility.

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

Our advice in relation to the Revised Offer should be considered in the context of the entirety of this Supplemental IFA Letter and the Supplemental Letter.

We recommend that the Independent Directors advise the Shareholders to read these pages carefully.

3. THE REVISED OFFER

Save for the revision of the Offer Price to the Final Offer Price and the extension of the closing date of the Offer (and the Revised Offer) from 5 August 2022 to 19 August 2022, all the other terms and conditions of the Offer as set out in the Offer Document remain unchanged.

4. INFORMATION ON THE COMPANY

Information on the Company can be found in the Circular.

5. INFORMATION ON THE OFFEROR AND ITS CONCERT PARTIES

Information on the Offeror and its Concert Parties can be found in the Offer Document.

6. EVALUATION OF THE REVISED OFFER

In our evaluation of the Revised Offer, we have taken into account the following factors:

(a) the trading statistics of the Shares prior to the Trading Suspension;

(b) the financial position of the Group;

(c) the historical financial performance of the Group;

(d) comparison of the valuation ratios of the Company implied by the Final Offer Price against its listed comparable companies;

(e) comparison of the valuation ratios implied by the Revised Offer with recently completed privatisation transactions for companies listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**");

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(f) the estimated range of values of the Shares; and

(g) other relevant considerations.

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

6.1 TRADING STATISTICS PRIOR TO TRADING SUSPENSION

6.1.1 Summary background of the Trading Suspension

The trading of the Shares was halted on 3 May 2019 and the Company subsequently suspended trading of the Shares on 8 May 2019 due to the observations highlighted by the Company's then auditors, Ernst and Young LLP during its audit of the Group for the financial year ended 31 December ("**FY**") 2018, and to undertake special audit in adherence to the Notice of Compliance dated 8 May 2019 issued by the SGX-ST.

On 23 May 2019, the Company announced that it was informed by JLC Advisors LLP ("**JLC**") on 22 May 2019 that the funds deposited by the Company with JLC (the "**Allied Funds**") have been purportedly paid out from the escrow account, and that JLC is still investigating, but has reasons to believe the said funds were paid out on the instructions of its partner, Mr. Ong Su Aun, Jeffrey, and "might have been unauthorized". Subsequently, the Company has on 24 May 2019 lodged a report with the Singapore Police Force against JLC and Mr. Ong Su Aun, Jeffrey requesting the authorities to investigate and take action in relation to potential offences committed. On 29 May 2019, the Company announced that the Commercial Affairs Department ("**CAD**") has on 28 May 2019 seized information, records and documents relating to: (a) the Company and its subsidiaries, namely, Asia Box Office Pte Ltd, Activpass Holdings Pte Ltd and Allied Technologies Holdings Pte. Ltd.; and (b) the escrow account with JLC, from the premises of the Company and its subsidiaries.

On 14 June 2019, the Company announced that it had appointed PricewaterhouseCoopers Risk Services Pte Ltd as the Special Auditor to (i) undertake a review on, amongst others, the observations identified by Ernst and Young LLP, including the circumstances surrounding the placing of the Allied Funds with JLC, and (ii) investigate the subsequent developments surrounding the Allied Funds, and the progress in procuring the deposit of the Allied Funds in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore ("**MAS**") as required under the SGX-ST's Notices of Compliance dated 8 May 2019 and 23 May 2019 (the "**Special Audit**"). On 6 April 2022, the Company announced that the Special Audit was completed and published the executive summary of the report from the Special Auditor (the "**Special Audit Report**"). As at the Latest Practicable Date, the Company is still reviewing the Special Audit Report and has not submitted any resumption proposal to the SGX-ST to apply for the resumption of trading in the Shares.

The Shares were last traded at S$0.011 on 2 May 2019 (the "**Last Market Day**") and there has been no public market for the Shares for more than three (3) years since 3 May 2019.

We note that the Final Offer Price is the same as the last traded price of S$0.011 on 2 May 2019.

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6.1.2 Performance of the Shares prior to Trading Suspension

Given that the Final Offer Price is the same as the last traded price of the Shares, we compare the Final Offer Price with the market performance of the Shares for the period commencing from 3 May 2017, being 24 months prior to and including the Last Market Day:



As set out in the chart above, the closing price of the Shares peaked at S$0.084 on 30 November 2017 then gradually decreased to a low of S$0.009 per Share on 1 April 2019. The Shares first closed at the Final Offer Price on 25 March 2019 during the aforesaid period. The Final Offer Price is above the closing price of the Shares for the period from 3 May 2017 to 21 March 2019 (both dates inclusive).

We set out the following events announced by the Company which may have a bearing on the closing and trading prices of the Shares during the above-mentioned period:

Date	Event
5 May 2017 / (1)	The Company officially transferred its listing from the Mainboard of the SGX-ST to the Catalist Board of the SGX-ST, and exit from the SGX-ST's watch-list with effect from the same day.

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Date	Event
12 May 2017 / 2	The Company announced the Group's results for the first quarter ended 31 March ("**1Q**") 2017. The Group registered a 26% increase in revenue from approximately S$27.3 million in 1Q2016 to approximately S$34.5 million in 1Q2017. With the disposal of loss-making former Shanghai and Taicang subsidiaries in the fourth quarter of FY2016, the Group managed to turnaround its financial performance in 1Q2017 as opposed to the loss-making results reported in 1Q2016. As a result, the Group recorded a profit after tax of approximately S$1.6 million in 1Q2017 as compared to the loss after tax of approximately S$1.2 million in 1Q2016.
Between 2 June 2017 and 13 July 2017 / 3	New Outlook Limited, a substantial Shareholder then, gradually decreased its shareholdings in the Company from 19.17% as at 1 June 2017 to 17.0% as at 13 July 2017. New Outlook Limited sold a total of 14,907,000 Shares at between S$0.048 and S$0.055 per Share during the aforesaid period.
14 August 2017 / 4	The Company announced the Group's results for the second quarter and the six months ended 30 June ("**1H**") 2017. The Group registered a 17% increase in revenue from approximately S$56.0 million in 1H2016 to approximately S$65.7 million in 1H2017. With the disposal of loss-making former Shanghai and Taicang subsidiaries in the fourth quarter of FY2016, the Group managed to turnaround its financial performance in 1H2017 as opposed to the loss-making results reported in 1H2016. As a result, the Group recorded a profit after tax of approximately S$3.3 million in 1H2017, respectively, as compared to the loss after tax of approximately S$1.8 million in 1H2016.
21 September 2017 / 5	The Company announced the proposed placement of 675,164,460 new ordinary shares in the capital of the Company (the "**Placement Shares**"), at an issue price of S$0.05 for each Placement Share (the "**Placement**").
24 October 2017	The Company announced the partial completion of the Placement with the allotment and issue of 338,000,000 Placement Shares.
31 October 2017	The Company announced the completion of the Placement with the allotment and issue of the remaining 337,164,460 Placement Shares.
13 November 2017 / 6	The Company announced the Group's results for the third quarter and nine months ended 30 September ("**9M**") 2017. The Group registered a 14% increase in revenue from approximately S$89.8 million in 9M2016 to approximately S$102.4 million in 9M2017. With the disposal of loss-making former Shanghai and Taicang subsidiaries in the fourth quarter of FY2016, the Group managed to turnaround its financial performance in 9M2017 as opposed to the loss-making results reported in 9M2016. As a result, the Group recorded a profit after tax of approximately S$3.8 million in 9M2017 as compared to the loss after tax of approximately S$1.1 million in 9M2016.

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Date	Event
29 November 2017 / 7	Mr Lim Tah Hwa @ Lin Tah Hwa became a substantial Shareholder holding 8.44% shareholding in the Company with the acquisition of 114,000,000 Shares via an off market transaction at an average consideration of S$0.062 for each Share.
29 November 2017 / 7	The Company announced the entering of the fourth supplemental deed to the sale and purchase agreements relating to the disposal of Shanghai and Taicang subsidiaries to vary the terms of the disposal, including mainly the payment of the final consideration for the Shanghai subsidiary on 29 November 2017 and the payment of the final consideration for the Taicang subsidiary on 29 November 2018.
1 December 2017 / 8	The Company announced the receipt of the final consideration for the disposal of the Shanghai subsidiary totalling S$12,308,792.
19 December 2017 / 9	The Company announced that it had entered into a binding memorandum of understanding (the "**MOU**") with 8travelpay Intelligence & Technology (Shanghai) Co., Ltd ("**8TPS**") to subscribe for ordinary shares in 8TPS and non-redeemable convertible loan notes issued by 8TPS.
20 December 2017 / 9	The Company announced the disposal of its Suzhou subsidiary for a total consideration of S$25.0 million.
24 January 2018	The Company announced that it had entered into a binding memorandum of understanding for the proposed acquisition of 51% interest in Asia Box Office Pte. Ltd. Based on the internal estimates of the vendor, the valuation of the Asia Box Office Pte. Ltd is approximately S$60 million.
1 February 2018 / 10	Mr Hsu Ching Yuh sold all his 249,697,000 Shares in the capital of the Company via an off market transaction at S$0.08 for each Share and ceased to be a substantial Shareholder.
26 February 2018 / 11	The Company announced the Group's results for FY2017. The Group registered a 11% increase in revenue from approximately S$85.4 million in FY2016 to approximately S$94.8 million in FY2017. With the disposal of loss-making former Shanghai and Taicang subsidiaries in the fourth quarter of FY2016, the Group had lower depreciation expenses and staff costs in FY2017 as opposed to the loss-making results reported in FY2016. As a result, the Group recorded a profit after tax of approximately S$3.3 million in FY2017 as compared to the profit after tax of approximately S$1.4 million in FY2016. The Directors also recommended a final one-tier tax exempt dividend of 0.01 Singapore cents per Share in respect of FY2017.
4 April 2018	The Company announced the completion of the acquisition of 51% interest in Asia Box Office Pte. Ltd. for S$30 million.

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Date	Event
14 May 2018 / 12	The Company announced the Group's results for 1Q2018. The Group registered a 22% increase in revenue from approximately S$22.0 million in 1Q2017 to approximately S$26.8 million in 1Q2018. Despite the increase in revenue, the Group registered a lower profit after tax of approximately S$0.6 million in 1Q2018 as compared to a profit after tax of approximately S$1.6 million in 1Q2017.
5 June 2018	The Company announced that it had entered into a binding memorandum of understanding for the proposed acquisition of 51% interest in Activpass Holdings Pte. Ltd.
18 June 2018 / 13	The Company announced the proposed placement of 420,000,000 new ordinary shares in the capital of the Company at an issue price of S$0.06 for each new ordinary share (the "**June 2018 Placement**").
2 July 2018 / 14	The Company announced that it had entered into a sale and purchase agreement in relation to the proposed acquisition of 51% interest in Activpass Holdings Pte. Ltd. for the total purchase consideration of S$25,200,000 (the "**Activpass Acquisition**")
3 July 2018	The Company announced the completion of the June 2018 Placement and the Activpass Acquisition.
24 and 25 July 2018 / 15	Mr Lim Tah Hwa @ Lin Tah Hwa sold an aggregate of 235,442,066 Shares in the capital of the Company at an average transacted price of S$0.047 for each Share. His shareholdings in the Company decreased from 22.79% as at 23 July 2017 to 9.49% as at 25 July 2017.
14 August 2018 / 16	The Company announced the Group's results for 1H2017. The Group registered a 54% increase in revenue from approximately S$42.9 million in 1H2017 to approximately S$66.2 million in 1H2018. Despite the higher revenue, the Group recorded a lower profit after tax of approximately S$1.7 million in 1H2018 as compared to a profit after tax of approximately S$3.3 million in 1H2017. The Company attributed the lower profit to higher operating expenses in 1H2018.
12 November 2018 / 17	The Company announced the Group's results for 9M2018. The Group registered a 40% increase in revenue from approximately S$69.5 million in 9M2017 to approximately S$97.4 million in 9M2018. Despite the higher revenue, the Group recorded a lower profit after tax of approximately S$1.6 million in 9M2018 as compared to a profit after tax of approximately S$3.8 million in 9M2017. The Company attributed the lower profit to higher operating expenses in 9M2018.

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Date	Event
1 March 2019 / 18	The Company announced the Group's results for FY2018. The Group registered a 34% increase in revenue from approximately S$94.8 million in FY2017 to approximately S$126.6 million in FY2018. Similarly, despite the higher revenue, the Group recorded a lower profit after tax of approximately S$2.2 million in FY2018 as compared to a profit after tax of approximately S$3.3 million in FY2017. The Company attributed the lower profit to higher operating expenses in FY2018.
15 April 2019 / 19	The Company announced that the Group was expected to report a loss for FY2018 as the impairment losses on certain assets of the Group were expected to be greater than the profits generated from operation. The Company also announced that it had applied for an extension of time to hold its annual general meeting for FY2018 as the Company's auditors and the Group needed more time to complete the audit of the Group for FY2018 and other information to be included in the Company's annual report for FY2018. The Company also disclosed that it will be seeking Shareholders' approval for the ratification of the Activpass Acquisition at an extraordinary general meeting to be convened by the Company.
29 April 2019	The Company announced that it had received a letter of intent dated 25 April 2019 in respect of the proposed acquisition of the entire issued share capital of Aik Chuan Construction Pte Ltd and its group of companies for S$130 million.
3 May 2019	The Company requested for a trading halt at 8:50 a.m.

6.1.3 Trading statistics of the Shares

We also tabulate the trading statistics of the Shares for the period from 3 May 2017 up to 2 May 2019 as follows:

	VWAP [1] (S$)	Discount of Offer Price to VWAP (%)	Highest trading price (S$)	Lowest trading price (S$)	Average daily traded volume
Periods prior to and including the Last Market Day					
Last 24 months	0.0593	(81.5)	0.086	0.009	20,100,298
Last 12 months	0.0270	(59.3)	0.060	0.009	9,364,834
Last 6 months	0.0140	(21.4)	0.019	0.009	4,325,464
Last 3 months	0.0121	(9.1)	0.016	0.009	3,837,938
Last 1 month	0.0113	(2.7)	0.013	0.009	3,681,828
Last Market Day	0.0110	-	0.011	0.011	1,350,000

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Source: Bloomberg L.P.

Notes:

(1) "**VWAP**" means volume weighted average price. Rounded to four (4) decimal places.

(2) The average daily traded volumes of the Shares are calculated based on the total number of Shares traded and the total days where the Shares were traded during that period.

As set out above, the Final Offer Price represents discounts to the VWAPs of the Shares for the periods prior to and including the Last Market Day.

Based on the Company's issued share capital of 1,770,328,920 Shares and the 782,422,900 Shares under the Irrevocable Undertakings, the free float of the Company will be 810,873,128 Shares. The highest daily traded volume of 20,100,298 Shares during the aforesaid period represented approximately 2.5% of the free float while the lowest daily traded volume of 1,350,000 Shares during the aforesaid period represented approximately 0.2% of the free float. We also note that the Shares were traded on more than 88% of the market days where the SGX-ST is open for trading during the aforesaid period.

6.2 FINANCIAL POSITION OF THE GROUP

Given that the trading of the Shares has been suspended for more than three (3) years, the net asset value ("**NAV**") of the Group is important in our evaluation of the Final Offer Price. We summarise in the table below the unaudited balance sheet of the Group as at 31 March 2022:

S$'000	**Unaudited 31 March 2022**
Current assets	79,580
Current liabilities	(34,697)
Net current assets	44,883
Non-current assets	31,331
Non-current liabilities	(9,155)
NAV attributable to Shareholders	67,059

The NAV of the Group refers to the aggregate value of all the assets in their existing condition net of all liabilities of the Group. As the Group does not have any intangible assets, its net tangible assets ("**NTA**") is the same as its NAV.

The NAV approach may provide an estimate of the value of the Group assuming the hypothetical sale of all their assets over a reasonable period of time, the proceeds of which would be first used to settle all liabilities of the Group, and the balance proceeds, if any, be distributed to all shareholders. Therefore, the NAV provides basis for the value of the Shares.

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Notwithstanding the foregoing, Shareholders should note that analyses based on the NAV of the Group only provides an estimate of the value of the Group based on a hypothetical scenario, and such hypothetical scenario is assumed without considering factors such as, *inter alia*, time value of money, market conditions, legal and professional fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised.

6.2.1 NAV per Share

Based on the total number of 1,770,328,920 issued Shares as at the Latest Practicable Date and the Group's NAV of approximately S$67,059,000 as at 31 March 2022, the NAV per Share is approximately S$0.0379 and the Final Offer Price represents a discount of approximately S$0.0269 or 71.0% to the NAV per Share, or a P/NAV ratio of approximately 0.29 times.

6.2.2 Adjustments to the Group's NAV as at 31 March 2022

In our evaluation of the financial position of the Group, we also have considered whether there are any assets which should be valued at an amount that is materially different from that which was recorded in the financial positions of the Group as presented in the table above and whether there are any factors in recent announcements made by the Company that are likely to impact the NAV per Share.

We set out in the table below, the assets and liabilities which accounted for more than 5% of the NAV of the Group as at 31 March 2022:

	Unaudited as at 31 March 2022	
	S$'000	**As a percentage of the Group's NAV**
Property, plant and equipment	23,715	35.36
Right-of-use assets	3,905	5.82
Other investments	3,683	5.49
Inventories	13,336	19.89
Trade debtors	21,831	32.55
Cash and bank balances	5,705	8.51
Amount due from a law firm	33,153	49.44
Trade creditors	(20,332)	(30.32)
Other creditors and accruals	(6,730)	(10.04)
Loan and borrowing (total)	(10,034)	(14.96)
Lease liabilities (total)	(4,339)	(6.47)

We review these material assets and liabilities in the paragraphs below.

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(i) Property, plant and equipment

Property, plant and equipment comprised mainly freehold land, leasehold land, leasehold properties as well as plant and machinery which collectively accounted for more than 90% of the Group's property, plant and equipment as at 31 March 2022. These property, plant and equipment (other than freehold land which has an unlimited useful life and therefore is not depreciated) are carried at cost less accumulated depreciation and any accumulated impairment losses. The Group commissioned valuation on its freehold land, leasehold land, leasehold properties annually to determine if any impairment is required but had not recognised any fair value gain on such valuation.

Based on our review of the valuation reports commissioned by the Group on its freehold land, leasehold land, leasehold properties in Malaysia and Vietnam, these assets had market values aggregating RM40.43 million (equivalent to approximately S$13.10 million based on closing exchange rates of S$1.00 to RM3.0857 as at 31 December 2021) and VND466 billion (equivalent to approximately S$27.58 million based on closing exchange rates of S$1.00 to VND 16,894 as at 31 December 2021) as at 31 December 2021. The aggregate net book value of the Group's freehold land, leasehold land and leasehold properties in Malaysia and Vietnam amounted to only approximately S$18.15 million as at 31 March 2022. Accordingly, the Group would have registered revaluation surpluses of approximately S$22.54 million if it had recorded the value of its freehold land, leasehold land, leasehold properties in Malaysia and Vietnam at market value.

Plant and machinery comprised the Group's machinery utilised for its precision metal stamping business segments. These assets were depreciated according to the Group's accounting policies. There has been no change in the Group's accounting policies relating to depreciation of plant and machinery in the last three financial years.

(ii) Right-of-use assets

Right-of-use assets relates to the Group's lease contracts for various items of office space, warehouse, factory and office equipment used in its operations. The right-of-use assets for the leases contracts were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application.

Leases of office spaces generally have lease terms between two (2) and four (4) years, warehouse and factory generally have lease terms between three (3) and 10 years and office equipment generally have lease terms between two (2) and five (5) years.

(iii) Other investments

Other investments relate to 3.85% equity interest in a Taiwanese company which is in the electronics components industry. The shares are not quoted on any market and are denominated in New Taiwan Dollars. The Group and the Company have

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elected to measure these unquoted equity securities at fair value through other comprehensive income due to the Group's intention to hold these equity instruments for long-term appreciation.

(iv) Inventories

Inventories comprised of raw materials, work-in-progress and finished goods.

Inventories are stated at the lower of cost and net realisable value.

We calculate the Group's average inventories' turnover days (being average inventories balance at the beginning and end of year/period divided by our adjusted cost of revenue for the year/period multiplied by 90 or 365 days, as the case may be) to be 54 days for the first quarter ended 31 March ("**1Q**") 2022 which is an improvement to the 78 days for FY2021 and 64 days for FY2020. Accordingly, there is no need to make any provision on the Group's inventories.

(v) Trade debtors

Trade debtors are non-interest bearing and are generally on 30 to 90 days' term.

We calculate the Group's average trade debtors' turnover days (being average trade debtors' balance at the beginning and end of year/period divided by revenue for the year/period multiplied by 90 or 365 days, as the case may be) to be 54 days for 1Q2022 which is also an improvement as compared to 75 days for FY2021 and 82 days for FY2020. As the turnover days are within the Group's credit terms granted to customers, no provision is required to be made on the Group's trade debtors.

(vi) Cash and bank balances

Cash and bank balances comprises cash balance and bank deposits.

(vii) Amount due from a law firm

The amount due from a law firm relates to the Allied Funds which aggregated S$33.15 million in the books of the Group. The Allied Funds were balance of funds placed with an escrow account held by JLC, a Singapore law firm, pursuant to an escrow agreement dated on 23 October 2017.

As mentioned in paragraph 6.1 of this Supplemental IFA Letter, the Company has on 24 May 2019 lodged a report with the Singapore Police Force against JLC and Mr. Ong Su Aun, Jeffrey requesting the authorities to investigate and take action in relation to potential offences committed. The Company also announced on 29 May 2019 that the CAD has seized the relevant documents for its investigation.

The Special Audit included the investigation of the subsequent developments surrounding the Allied Funds, and the progress in transferring the Allied Funds to an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the MAS. We note from the Special Audit Report

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that the Special Auditor did not have access to the financial records and bank statements of JLC. As a result, the Special Auditors' review of the Allied Funds is only limited to the review of the escrow statements provided by JLC to the Company, the Company's records and emails. As at the date of the Special Audit Report, the status of the missing Allied Funds continues to remain unknown.

We also note from the regulatory statement issued by the Singapore Exchange Regulation (the "**SGX RegCo**") dated 6 April 2022 on the Special Audit Report that the SGX RegCo will refer the findings of the Special Auditors to the Law Society and RSM Chio Lim LLP (which is assisting the Law Society in its investigation) for their further inquiry into the flow of funds, with the view of accounting for the Allied Funds. The SGX RegCo will also refer the Special Audit Report to the relevant authorities and agencies, for their further investigation and will proceed to take disciplinary actions if such further investigations and/or Court judgement support breaches of the listing rules.

As at the Latest Practicable Date, the Company does not have any updates on the investigations, whether by the CAD, the Law Society or by the relevant authorities and agencies. The Company is still in the process of determining the next course of action to protect its interests and procure the recovery of the Allied Funds.

Nevertheless, given that the Allied Funds has been unaccountable for more than three (3) years, we have taken the prudent approach and deemed the amount irrecoverable, and adjusted the Group's NAV accordingly.

(viii) Trade creditors

Trade creditors are non-interest bearing and are generally on 30-120 days' term.

We calculate the Group's average trade creditors' turnover days (being average trade creditors' balance at the beginning and end of year/period divided by our adjusted cost of revenue for the year/period multiplied by 90 or 365 days, as the case may be) to be 70 days for 1Q2022 as compared to 111 days for FY2021 and 122 days for FY2020.

(ix) Other creditors and accruals

Sundry creditors of the Group mainly relate to payable to non-trade suppliers, including suppliers for the property, plant and equipment of the Group. These amounts are generally on 14 to 90 days' term.

(x) Loans and borrowings (total)

The current and non-current borrowings bear effective interest rates ranging from 3.25% to 4.00% per annum.

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(xi) Lease liabilities

The lease liabilities are also related to the Group's lease contracts for various items of office space, warehouse, factory and office equipment used in its operations. The lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. In addition to the leases set out under right-of-use assets, the Group also has certain leases of machinery with lease terms of 12 months or less.

We inquire and the Board confirms that, to the best of their knowledge and based on information made available to them, as at the Latest Practicable Date:

(1) other than the valuation of the freehold land, leasehold land and leasehold properties in Malaysia and Vietnam, there is no event subsequent to 31 March 2022 which would materially affect the NAV of the Group;

(2) there are no material contingent liabilities, unrecorded earnings or expenses or assets or liabilities that may have a material impact on the NAV of the Group as at 31 March 2022; and

(3) there is no material change to the accounting policies and methods of computation which may materially affect the NAV of the Group as at 31 March 2022.

In addition, we note from Section 7 of the Offer Document that the Offeror intends for the Company to continue with its existing activities and has no intention to (a) introduce any major changes to the business of the Company; (b) re-deploy the fixed assets of the Company; or (c) discontinue the employment of any of the existing employees of the Company and its subsidiaries, other than in the ordinary course of business. However, the sole director of the Offeror retains the flexibility at any time to consider any options in relation to the Company and its subsidiaries which may present themselves and which it may regard to be in the interest of the Offeror.

Accordingly, we adjust the Group's NAV as follows:

	S$'000
Group's NAV as at 31 March 2022	67,059
Add: Revaluation surpluses mentioned in paragraph (i) above	22,536
Less: Adjustment for the Allied Funds mentioned in paragraph (vii) above	(33,153)
Adjusted NAV ("**ANAV**")	56,442

Based on the ANAV and the total number of 1,770,328,920 Shares as at the Latest Practicable Date, the ANAV per Share is approximately S$0.0319. The Final Offer Price represents a discount of approximately S$0.0209 or 65.5% to the ANAV per Share, or a P/ANAV ratio of approximately 0.35 times.

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6.2.3 No audited financial statements for FY2020 and FY2021

As at the Latest Practicable Date, the latest set of audited financial statements of the Group is for FY2019 which is audited by Ernst and Young LLP. Ernst and Young LLP has issued a disclaimer of opinion to the Group's audited financial statements for FY2019. The disclaimer of opinion arose from the following five (5) issues:

(1) the missing Allied Funds;

(2) purchase price allocation, impairment assessments of goodwill and interest in subsidiaries;

(3) Asia Box Office Pte. Ltd. and its subsidiary;

(4) the Special Audit and investigation by the CAD which was ongoing at the date of the audit report; and

(5) going concern assumption.

Further details of the disclaimer of opinion can be found in pages 64 to 66 of the Company's annual report for FY2019.

In the Company's annual general meeting held on 10 June 2020, 257,000,000 Shares (or 61.71%) of the 416,479,300 Shares present and voting voted against the resolution relating to the re-appointment of Ernst and Young LLP as the auditors of the Company. The Company has subsequently approached other audit firms but each of the potential audit firm has indicated that they would require the Special Audit Report as part of their client acceptance procedures. The Company was unable to find and appoint an auditor for the audit of its financial results for FY2020 and FY2021 prior to the issue of the Special Audit Report (which was issued on 6 April 2022) and accordingly, there has been no audited financial statements on the Group for FY2020 and FY2021.

Despite the above, the Company has been announcing its quarterly results within the timeline stipulated under the SGX-ST's Listing Manual (Section B: Rules of Catalist) and has also been making monthly announcements of its cash balance since June 2019.

Based on the unaudited financial statements of the Group for 1Q2022, even after excluding the Allied Funds, the Group has a healthy financial position as at 31 March 2022 with a current ratio (being current assets divided by current liabilities) of 1.34 times and gearing ratio (being total loans and borrowings, lease liabilities and hire purchase creditors divided by NAV) of 0.43 times.

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6.3 HISTORICAL FINANCIAL PERFORMANCE OF THE GROUP

We set out below a summary of the key financial performance numbers of the Group for FY2019, FY2020, FY2021 and 1Q2022:

	Audited	Unaudited			
S$'000	**FY2019**	**FY2020**	**FY2021**	**1Q2021**	**1Q2022**
Revenue	123,351	109,363	102,895	37,654	34,458
(Loss) / Profit before tax	(30,274)	768	1,229	674	367
(Loss) / Profit for the year/period attributable to owners of the Company	(28,076)	638	1,034	601	234

We note the following with respect to the financial performance of the Group:

(a) the Group has two revenue generating business segments during the aforesaid period. Save for S$191,000 in FY2019 and S$47,000 in FY2020 which were revenue generated by its e-commerce business segment, the precision metal stamping business segment contributed more than 99% of the Group's revenue for FY2019 and FY2020, and 100% of the Group's revenue for FY2021 and 1Q2022;

(b) the Group's revenue was on a declining trend during the aforesaid period. The Group attributed the decrease in its revenue from FY2019 to FY2020 to the COVID-19 pandemic which caused significant drop in global demand for its customers' products mainly consisting of office equipment such as copiers in the second quarter and third quarter of FY2020. The Group attributed the decrease in its revenue from FY2020 to FY2021 to the ongoing global chip shortage and supply chain disruption, which caused a decline in the demand and production of its customers' products mainly consisting of office equipment such as copiers and printers;

(c) the loss recorded by the Group in FY2019 arose mainly from impairment losses aggregating S$28.22 million in FY2019 out of which S$23.95 million related to full impairment of the remaining goodwill in relation to the acquisition of 51% interest in Asia Box Office Pte. Ltd. and 51% interest in Activpass Holdings Pte. Ltd. in 2018;

(d) despite the decreasing revenue, the Group recorded improvements to its profit attributable to owners of the Company for FY2020 and FY2021. The Group attributed the improvement to the higher profit recorded by the precision metal stamping segment and lower losses recorded by other business segments of the Group; and

(e) the Group attributed the lower profit attributable to owners of the Company for 1Q2022 to the decrease in revenue of the precision metal stamping business segment.

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6.3.1 Historical price-earnings ratio ("P/E") implied by the Final Offer Price

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

Based on the profit for the year attributable to owners of the Company of approximately S$1.0 million for FY2021, the P/E ratio implied by the Final Offer Price is approximately 18.8 times.

We calculate the profit attributable to owners of the Company for the last 12 months ("**LTM**") ended 31 March 2022 to be approximately S$667,000. Based on the aforesaid profit, the P/E ratio implied by the Final Offer Price is approximately 29.2 times.

6.3.2 Enterprise value ("EV") to earnings before interest, tax, depreciation and amortisation ("EBITDA") ("EV/EBITDA") ratio implied by the Final Offer Price

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

We calculate the EBITDA of the Group for LTM ended 31 March 2022 as follows:

S$'000	FY2021	1Q2021	1Q2022	LTM ended 31 March 2022
Profit before tax	1,229	674	367	922
Add back:				
- Depreciation	3,702	927	921	3,696
- Interest expense	730	192	217	755
Less:				
- Interest income	(59)	(6)	(4)	(57)
- Dividend income	(435)	-	-	(435)
- Gain on loss on disposal of plant and equipment	(26)	(9)	(92)	(109)
- Government grant income	(379)	(195)	(13)	(197)
EBITDA	4,762	1,583	1,396	4,575

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We calculate the EV of the Group as implied by the Final Offer Price as follows:

	S$'000
Value of the Company as implied by the Final Offer Price	19,474
Add: Loans and borrowings, and lease liabilities	14,373 (1)
Less: Cash and cash equivalents	(7,134) (1) (2)
EV	26,713

Notes:

(1) As at 31 March 2022.

(2) Comprising fixed deposits as well as cash and bank balances, and does not include the Allied Funds.

Based on the above calculations, the EV/EBITDA ratio of the Group implied by the Final Offer Price is approximately 5.8 times.

6.3.3 Outlook of the Group

We extract the following from the Group's results announcement for 1Q2022:

The business environment within the next 12 months is expected to remain challenging for the Group in light of the uncertain global economic outlook and the JLC Issue as disclosed in Note A of the condensed interim consolidated statement of cash flows. The worsening business environment is further exacerbated by the COVID-19 pandemic that has particularly affected economies globally.

The COVID-19 pandemic and its effects on the global and domestic economy, coupled with the ongoing global chip shortage, supply chain disruption and the recent lockdown in Shanghai, the People's Republic of China, may cause a decline in global demand and production for our customers' products, mainly consisting of office equipment such as copiers, which in turn may potentially impair the Group's earnings capacity and ability to secure new sales for ongoing and new projects in the next 12 months. As at the date of this announcement, the Group's subsidiary in Suzhou, China, has not been materially affected by the lockdown in the People's Republic of China as it is a representative office dealing mainly with inter-company transactions and does not have a material amount of sales to external customers.

With the continuing spread of COVID-19 pandemic around the world, there is also no clear indication when COVID-19 can be eradicated globally and when business conditions and market sentiment can return to pre-COVID-19 levels. Besides streamlining its operations, the Group is also exploring possible avenues for business opportunities in its precision metal stamping segment. The Group has explored, and will continue to look for, ways to reduce expenditure. The Group will review and assess its existing business strategies and overall financial performance of the Group concurrently and carry out reorganisation and restructuring of the Group as and when appropriate.

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With the completion of the special audit, the Group is in the process of reviewing the contents of the executive summary to assess the findings and determine its next course of action alongside its appointed legal advisors. The Group is also working with its legal advisors on the next steps in order to do its best in recovering the Escrow Funds placed with JLC. Notwithstanding the foregoing, the Group will continue to engage and maintain good relationships with its stakeholders and provide assurance to these stakeholders that business is as usual for the Group.

Based on the above, the outlook of the Group is generally cautious.

6.4 COMPARISON OF THE VALUATION RATIOS OF THE COMPANY IMPLIED BY THE FINAL OFFER PRICE AGAINST ITS LISTED COMPARABLE COMPANIES

The Group's revenue for the last three (3) completed financial years were from the precision metal stamping business segment. Comparison is therefore made to companies listed in Singapore, Malaysia and Hong Kong which also generated most or all of its revenue from precision metal stamping business segments (the "**Comparable Companies**") to assess the valuation ratios implied by the Final Offer Price.

We set out in the table below the list of Comparable Companies, together with a brief description of their business activities:

Comparable Companies	Business activities
BSL Corporation Berhad ("**BSL**"), listed on Bursa Malaysia	BSL manufactures consumer electrical and electronics components. BSL stamps and manufactures precision metal parts, fabricates tools, dies, forges base metal components, and printed circuit board assemblies.
CFM Holdings Limited ("**CFM**"), listed on the SGX-ST Catalist Board	CFM manufactures stamped metal components and provides stamping services. CFM also sells, designs and fabricates tool which are used for the manufacture of stamped metal components.
KFM Kingdom Holdings Limited ("**KFM**"), listed on the Hong Kong Stock Exchange ("**HKEX**")	KFM is an advanced precision metal engineering solution provider in Hong Kong and PRC. KFM engages in the provision of innovative design engineering solutions and manufacturing services in relation to precision metal stamping tools and metal parts and components.
Kobay Technology Berhad ("**Kobay**"), listed on Bursa Malaysia	Kobay, through its subsidiaries, manufactures carbide tooling parts, jigs, fixtures, precision tools, dies, molds, metal works and equipment, automated machine and parts, and high-end steel and carbide precision tools. Kobay also lets properties and operates in money lender and leasing business.

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Comparable Companies	Business activities
Meta Health Limited ("**Meta**"), listed on the SGX-ST Catalist Board	Meta's principal activities are metal stamping and manufacturing of tools and fixtures. It had recently diversified into the healthcare sector by operating direct-to-consumer and high growth omnichannel health and wellness platform.
Sapura Industrial Berhad ("**Sapura**"), listed on Bursa Malaysia	Sapura, through its subsidiaries, manufactures high value added machined products, cold drawn high grade structured steel bars, coil springs, stabilizer bars, strut assemblies, and high precision metal stamping products.
World Precision Machinery Limited ("**WPM**"), listed on SGX-ST Mainboard	WPM manufactures and supplies stamping machines and related metal components. WPM's other products include bending, cutting and CNC punching machines.

Source: Bloomberg L.P. and the respective website of the Comparable Companies.

Given that we have only identified seven (7) Comparable Companies, we do not further shortlist them based on market capitalisation. As some of these Comparable Companies are foreign entities, the accounting policies and tax matters may differ. The market outlook of the countries where these foreign Comparable Companies operate may also affect their financial performance and share prices. In view of the above, it should be noted that any comparison made with respect to the Comparable Companies merely serves as an illustration and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Company as at the Latest Practicable Date.

For the comparison of Comparable Companies, we have referred to various valuation measures to provide an indication of current market expectations with regard to the valuation of these companies as below:

Valuation ratios	General description
P/E	P/E ratio illustrates the ratio of the market price of a company's share relative to its historical consolidated earnings per share. The P/E ratio is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation.
EV/EBITDA	EV/EBITDA ratio is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance.

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Valuation ratios	General description
P/NAV	P/NAV ratio illustrates the ratio of the market capitalisation of a company relative to its NAV as stated in its financial statements. Comparisons of companies using their NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.
P/NTA	P/NTA ratio illustrates the ratio of the market price of a company's share relative to its historical NTA per share as recorded in its financial statements. The NTA figure provides an estimate of the value of a company assuming the hypothetical sale of all its tangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Comparisons of companies using their NTAs are affected by differences in their respective accounting policies, in particular, their amortisation and asset valuation policies.

We set out in the table below the valuation ratios of the Comparable Companies as at the Latest Practicable Date:

Comparable Companies	Market Capitalisation [(1)] (S$'million)	Profit attributable to equity holders [(2)] (S$'million)	P/E ratio (times)	EV/EBITDA ratio (times)	P/NAV ratio (times)	P/NTA ratio (times)
BSL	7.7	3.2	2.5	-	0.2	0.2
CFM	25.4	0.7	33.9	12.0	2.3	2.3
KFM	23.5	(8.3)	-	2.9	0.3	0.3
Kobay	315.5	15.5	21.3	12.9	2.9	3.2
Meta	17.7	7.6	2.3	1.5	0.8	1.0
Sapura	17.1	(0.7)	-	6.5	0.5	0.5
WPM	148.0	15.3	10.0	5.3	0.6	0.6
Maximum			33.9	12.9	2.9	3.2
Minimum			2.3	1.5	0.2	0.2
Mean			14.0	6.9	1.1	1.2
Median			10.0	5.9	0.6	0.6
The Company	19.5	0.7	29.2	5.8	0.3	0.3

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Source: Bloomberg L.P., annual reports and/or announcements of the respective companies.

Notes:

(1) Based on last traded prices of the respective Comparable Companies as at the Latest Practicable Date and the market capitalisation implied by the Final Offer Price for the Company.

(2) Based on latest available 12 months or full year revenue/profits attributable to equity holders as announced by the respective Comparable Companies.

(3) Please refer to paragraph 6.3.1 and 6.3.2 of this Supplemental IFA Letter for the calculations of the Company's P/E ratio and EV/EBITDA ratio.

(4) Based on the P/ANAV ratio of the Company set out in paragraph 6.2.2 of this Supplemental IFA Letter.

For illustrative purpose only, based on the above ratio analysis, we note that:

(a) the P/E ratio of the Group as implied by the Final Offer Price is within the range and higher than the mean and median corresponding ratios of the Comparable Companies;

(b) the EV/EBITDA ratio of the Group as implied by the Final Offer Price is within the range but lower than the mean and median corresponding ratios of the Comparable Companies; and

(c) the P/NAV ratio and P/NTA ratio of the Group as implied by the Final Offer Price are within the range but lower than the mean and median corresponding ratios of the Comparable Companies.

6.5 COMPARISON OF THE VALUATION RATIOS IMPLIED BY THE REVISED OFFER WITH RECENTLY COMPLETED PRIVATISATION TRANSACTIONS FOR COMPANIES LISTED ON THE SGX-ST

As disclosed in Section 6.3 of the Offer Document, the Offeror is making the Offer with a view to delist the Company from the SGX-ST. Accordingly, the Offer is conditional upon the Offer achieving the Minimum Acceptance Condition. The Minimum Acceptance Condition if met will also allow the Offeror to exercise its right under Section 215(1) of the Companies Act 1967 of Singapore, to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer on the same terms as those offered under the Offer.

Given that the trading of the Shares has been suspended for more three (3) years, we have compared the P/NAV ratio of the Company implied the Revised Offer with those successful privatisation transactions that were announced and completed since 1 January 2021 and up to the Latest Practicable Date, which were carried out either by way of general takeover offers under the Code or a scheme of arrangement under Section 210 of the Companies Act 1967 of Singapore, where the offeror has stated its intention to delist the listed company from the SGX-ST, whether in cash or otherwise (the "**Privatisation Transactions**").

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies without having regard to their

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specific industry characteristics or other considerations, and the comparison sets out the premium or discount represented by each of the respective offer prices to the latest NAV prior to the announcement of the respective Privatisation Transactions.

We wish to highlight that the premium that an offeror pays in any particular takeover depends on various factors such as the potential synergy that the offeror can gain by acquiring the target, the presence of competing bids for the target, prevailing market conditions and sentiments, attractiveness and profile of the target's business and assets, size of consideration and existing and desired level of control in the target. The comparison below is made without taking into consideration the underlying liquidity of the shares and the performance of the shares of the relevant companies below. Further, the list of target companies involved in Privatisation Transactions set out in the analysis below are not directly comparable with the Group in terms of size of operations, market capitalisation, business activities, asset base, geographical spread, track record, accounting policy, financial performance, operating and financial leverage, future prospects and other relevant criteria. Hence, the comparison of the Revised Offer with the Privatisation Transactions set out below is for illustration purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Group.

The statistics of the Privatisation Transactions are as follows:

Name of companies	Date of announcement [1]	Type [2]	Offer price-to-NAV or RNAV [3] (times)
T T J Holdings Limited	20-May-22	VGO	0.50
Singapore O&G Ltd	7-Mar-22	VGO	3.55
Shinvest Holding Ltd.	16-Feb-22	VGO	0.66
Roxy-Pacific Holdings Limited	15-Dec-21	VGO	0.64
United Global Limited	10-Dec-21	VGO	1.06
Starburst Holdings Limited	10-Nov-21	VGO	1.84
SingHaiyi Group Ltd.	9-Nov-21	VGO	0.60
Fragrance Group Limited	9-Jul-21	VGO	0.70
Dutech Holdings Ltd	31-May-21	VGO	1.06
Cheung Woh Technologies Limited	6-May-21	VGO	1.10
Sin Ghee Huat Corporation Ltd	20-Apr-21	VGO	0.64
Singapore Press Holdings Limited	30-Mar-21	SOA	1.05
Neo Group Limited	30-Mar-21	VGO	1.22

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Name of companies	Date of announcement [1]	Type [2]	Offer price-to-NAV or RNAV [3] (times)
Singapore Reinsurance Corporation Limited	19-Mar-21	VGO	0.79
World Class Global Limited	12-Mar-21	SOA	0.83
Top Global Limited	9-Mar-21	VGO	0.32
International Press Softcom Limited	28-Jan-21	VGO	1.08
GL Limited	15-Jan-21	VGO	0.66
CEI Limited	11-Jan-21	VGO	1.89
Maximum			3.55
Minimum			0.32
Mean			1.06
Median			0.83
The Company	17-Jun-22	VGO	0.35 [4]

Notes:

(1) Date of announcement refer to the date of first announcement, including holding announcement, of offers.

(2) VGO – Voluntary General Offer; and SOA – Scheme of Arrangement.

(3) Based on the NAV per share or adjusted/revalued NAV ("**RNAV**") per share, where available, as published in the independent financial adviser's letter set out in respective circular of the companies.

(4) Based on the P/ANAV ratio set out in paragraph 6.2.2 of this Supplemental IFA Letter.

Based on the above, we note that the P/ANAV ratio of 0.35 times implied by the Final Offer Price is within the range but much lower than the mean and median P/NAV (or P/RNAV) ratios of the Privatisation Transactions.

The P/ANAV ratio of 0.35 times implied by the Final Offer Price is only slightly above the lowest P/NAV (or P/RNAV) ratio of 0.32 times of Top Global Limited. If the lowest P/NAV (or P/RNAV) ratio of Top Global Limited is excluded, the P/ANAV ratio of 0.35 times implied by the Final Offer Price will be below the lowest P/NAV (or P/RNAV) ratio of the Privatisation Transactions which is T T J Holdings Limited at 0.50 times.

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6.6 ESTIMATED VALUES OF THE SHARES

We have evaluated various factors, and considered among others, the earnings-based ratios such as P/E ratio and EV/EBITDA ratio, asset-based ratios such as P/ANAV ratio, the details of which can be found in paragraphs 6.2 to 6.5 of this Supplemental IFA Letter.

As the Group generated profits for FY2020, FY2021 and 1Q2022, the P/E ratio is usually a good indicator of the value of the Shares.

However, as set out in paragraph 6.4 of this Supplemental IFA Letter, the P/E ratio of the Group implied by the Final Offer Price is already significantly higher than the mean and median P/E ratios of the Comparable Companies. On the other hand, the P/ANAV ratio implied by the Final Offer Price is significantly lower than the mean and median P/NAV ratio of the Comparable Companies.

There is also no public market for the Shares as the trading of the Shares has been suspended for more than three (3) years.

Taking into consideration the above, we have relied principally on the asset-based approach which assumes the hypothetical sale of all assets of the Group over a reasonable period of time, the proceeds of which would be first used to settle all liabilities of the Group, and the balance proceeds to be distributed to all Shareholders. As set out in paragraph 6.2.2 of this Supplemental IFA Letter, the ANAV per Share is approximately S$0.0319. However, the Company has highlighted that its leasehold land and leasehold properties in Vietnam are located in the hi-tech park and there are ownership restrictions regarding the transfer of such land and properties (such as prior approvals from the local authority(ies) and the purchaser should be operating in certain authorised business). Accordingly, it may take the Company more time to dispose its leasehold land and leasehold properties in Vietnam at the market value. Assuming an orderly disposal of the Group's assets over a period of 12 to 24 months and all liabilities are settled with the proceeds from the disposal, factoring a 3% commission for the sale of the land and buildings in Malaysia and Vietnam and an average inflation rate of 2.2% (being the simple average of the inflation rate of Singapore, Malaysia and Vietnam for FY2021), the estimated value of the Shares range between approximately S$0.0298 and approximately S$0.0305 for each Offer Share.

Shareholders should note that the analysis above is solely for illustration purposes, and both the Company and the Offeror has no intention to sell the land and buildings of the Group and intend to continue using such assets in its current operations.

6.7 OTHER CONSIDERATIONS

6.7.1 Only exit for Shareholder as at the Latest Practicable Date

The trading of the Shares has been suspended for more than three (3) years. Shareholders should note that, although the Special Audit has been completed and the Special Audit Report has been issued on 6 April 2022, the Company is still in the process of determining the next course of action. As at the Latest Practicable Date, the Company also has not identified the auditors for the audit of the Group's financial statements for FY2020 and

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FY2021. Accordingly, it is unlikely that the Company can submit any meaningful resumption proposal to the SGX-ST in the near future.

Pursuant to Rule 729 of the SGX-ST's Listing Manual (Section B: Rules of Catalist), there must not be any transfers of the Shares where the trading of securities of an issuer is suspended, unless approved by the SGX-ST. Given the case, the Revised Offer is presently the only available option to Shareholders who wish to exit their investment in the Company.

6.7.2 The Minimum Acceptance Condition

We note from the Offer Document that the Offeror does not hold any Shares. The sole director and the sole shareholder of the Offeror is Mr. Tan Yew Kiat who also does not hold any Shares.

Based on disclosures in the Offer Document, the Offeror and persons acting in concert with the Offeror, own, control or have agreed to acquire an aggregate of 782,422,900 Shares, representing approximately 44.20% of the total number of issued Shares. These are Shares held by the Undertaking Shareholders and will only be transferred to the Offeror when the Minimum Acceptance Condition (being 90% of the total number of Shares in issue (excluding treasury shares) as at the close of the Revised Offer) is met.

Accordingly, the Offeror does not have any statutory control over the Company, but in the event that Minimum Acceptance Condition is met, it would place the Offeror in a position to have significant influence, *inter alia*, the management, operating and financial policies of the Company and ability to pass all ordinary resolution on matters in which the Offeror does not have an interest, at general meetings of Shareholders.

Further, the Minimum Acceptance Condition, if met, will also allow the Offeror to exercise its right under Section 215(1) of the Companies Act 1967 of Singapore, to compulsorily acquire all the Shares of Shareholders who have not accepted the Revised Offer on the same terms as those offered under the Revised Offer.

We also note that, as at 3 August 2022, the Offeror has received valid acceptances in respect of 414,932,219 Shares, representing approximately 23.44% of the total number of issued Shares.

Based on the 1,770,328,920 issued Shares, the Offeror will need to receive acceptances of another 395,940,909 Shares (representing approximately 22.37% of the total number of issued Shares) to meet the Minimum Acceptance Condition.

6.7.3 Alternative takeover offer

The Directors confirmed that (a) no other third parties have approached the Company with an intention to make an offer for the Company; and (b) apart from the Revised Offer being made by the Offeror, no other third party has made a firm offer for the Company as at the Latest Practicable Date.

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6.7.4 Dividend track record

The Company last paid a cash dividend of S$0.0001 per Share in May 2018, being the final one-tier tax exempt dividend for FY2017.

As set out in the Company's annual report for FY2019, the Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

Although the Group reported profits for FY2020, FY2021 and 1Q2022, the Company's subsidiaries did not declare any dividends to the Company. The Company is an investment holding company and its ability to pay dividends is dependent upon the dividends it receives from its subsidiaries. As a result, the Company was loss-making for FY2020, FY2021 and 1Q2022, and no dividend was declared or recommended for these financial periods.

7. OUR ADVICE

Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Revised Offer. We have carefully considered as many factors as we deemed essential and balanced them before arriving at our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

We set out below a summary of the key factors we have taken into our consideration when assessing the "fairness" of the Revised Offer:

Factors for the Final Offer Price

(i) the P/E ratio of the Group as implied by the Final Offer Price is within the range and higher than the mean and median corresponding ratios of the Comparable Companies.

Factors against the Final Offer Price

(a) the Final Offer Price represents discounts to the VWAP of the Shares for the periods prior to the Last Market Day;

(b) the Final Offer Price represents a discount of approximately S$0.0209 or 65.5% to the ANAV per Share, or a P/ANAV ratio of approximately 0.35 times;

(c) the EV/EBITDA ratio of the Group as implied by the Final Offer Price is lower than the mean and median corresponding ratios of the Comparable Companies;

(d) the P/ANAV ratio of the Group as implied by the Final Offer Price is lower than the mean and median corresponding ratios of the Comparable Companies;

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(e) the P/ANAV ratio of the Group implied by the Final Offer Price is within the range but much lower than the mean and median P/NAV (or P/RNAV) ratios of the Privatisation Transactions; and

(f) the Final Offer Price is below the estimated value of the Shares which range between approximately S$0.0298 and approximately S$0.0305 for each Offer Share as set out in paragraph 6.6 of this Supplemental IFA Letter.

We set out below a summary of the key factors we have taken into our consideration when assessing the "reasonableness" of the Revised Offer:

Factors for the Final Offer Price

(I) the trading of the Shares has been suspended for more than three (3) years, and the Revised Offer is presently the only available option to Shareholders who wish to exit their investment in the Company; and

(II) as at 3 August 2022, the Offeror has received valid acceptances in respect of 414,932,219 Shares, representing approximately 23.44% of the total number of issued Shares and need to receive acceptances of another 395,940,909 Shares (representing approximately 22.37% of the total number of issued Shares) to meet the Minimum Acceptance Condition.

Factors against the Final Offer Price

(A) the Group generated profits (albeit generally less than S$1 million except for FY2021) for FY2020, FY2021 and 1Q2022; and

(B) excluding the Allied Funds, the Group's financial position is relatively healthy as at 31 March 2022.

Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, as of the date hereof, the terms of the Revised Offer, on balance, are not fair and not reasonable. Accordingly, we advise the Independent Directors to recommend Shareholders to reject the Revised Offer.

This Supplemental IFA Letter is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the terms of the Revised Offer, and the recommendation made by them to the Shareholders shall remain their responsibility. Whilst a copy of this Supplemental IFA Letter may be reproduced in the Supplemental Letter, neither the Company, the Directors or the Shareholders may reproduce, disseminate or quote this Supplemental IFA Letter (or any part thereof) for any other purpose, except for the Revised Offer, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

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

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

LOO CHIN KEONG EXECUTIVE DIRECTOR	PAULINE SIM POI LIN HEAD OF CORPORATE FINANCE

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