*This Supplemental Letter has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), SAC Advisors Private Limited (formerly known as Canaccord Genuity Singapore Pte. Ltd.), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not verified the contents of this Supplemental Letter including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements or opinions made or reports contained in this Supplemental Letter.*

*This Supplemental Letter has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Supplemental Letter, including the correctness of any of the statements made, reports contained or opinions expressed in this Supplemental Letter.*

*The contact person for the Sponsor is Ms Soo Hsin Yu, Partner, SAC Advisors Private Limited (formerly known as Canaccord Genuity Singapore Pte. Ltd.) at 1 Robinson Road #21-02 AIA Tower Singapore 048542, telephone (65) 6532 3829.*

pteris Global
Member of the CIMC Group

# PTERIS GLOBAL LIMITED

(Company Registration Number: 197900230M)
(Incorporated in the Republic of Singapore)

**Directors:**

Mr. Zheng Zuhua (Non-Executive Chairman)
Mr. Yu Yuqun (Non-Executive Director)
Ms. Zeng Beihua (Non-Executive Director)
Dr. Soon Kong Ann (Independent Director)
Mr. Lee Dah Khang (Independent Director)

**Registered Office:**

28 Quality Road
Singapore 618828

18 July 2016

To: The Shareholders of Pteris Global Limited

Dear Sir/Madam

**REVISED VOLUNTARY UNCONDITIONAL CASH OFFER BY DBS BANK, FOR AND ON BEHALF OF THE OFFEROR FOR THE OFFER SHARES**

## 1. BACKGROUND

### 1.1 Offer

On 21 April 2016, DBS Bank Ltd. ("**DBS Bank**"), for and on behalf of Sharp Vision Holdings Limited (the "**Offeror**"), announced that the Offeror intends to make a voluntary unconditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of Pteris Global Limited (the "**Company**"), other than those Shares held, directly or indirectly, by the Offeror and Shenzhen TGM Ltd. (the "**Offer Shares**").

### 1.2 Revision of the Offer

On 3 July 2016, DBS Bank, for and on behalf of the Offeror, issued an announcement on the revision of the Offer (the "**Revision Announcement**"). In the Revision Announcement, the Offeror announced, *inter alia*, that it was increasing the Offer Price from S$0.735 for each Offer Share to S$0.85 for each Offer Share (the "**Final Offer Price**").

A copy of the Revision Announcement is available on the website of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") at www.sgx.com. Shareholders are advised to review the Revision Announcement in its entirety and carefully.

**This supplemental letter ("Supplemental Letter") is important as it contains the advice of Xandar Capital Pte. Ltd. (the "IFA" or "Xandar Capital") to the directors of the Company who are considered independent for the purpose of the Offer ("Independent Directors") and the recommendation of the Independent Directors in relation to the revised Offer. This Supplemental Letter requires the immediate attention of shareholders of the Company ("Shareholders") and Shareholders should read it carefully.**

### 1.3 Revision Notification

Shareholders should by now have received a copy of the written notification to Shareholders dated 11 July 2016 despatched by the Offeror ("**Revision Notification**") setting out, *inter alia*, the revisions to the Offer. Shareholders are advised to read the terms and conditions of the revised Offer set out in the Revision Notification carefully. A copy of the Revision Notification is available on the website of the SGX-ST at www.sgx.com.

### 1.4 Offeree Circular and Definitions

The Company issued a circular to Shareholders dated 2 June 2016 (the "**Offeree Circular**") which set out, *inter alia*, the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in relation to the Offer.

Unless otherwise stated, all terms and expressions used in this Supplemental Letter shall have the meanings given to them in the Offeree Circular.

References to the "**Latest Practicable Date**" shall mean 7 July 2016, being the latest practicable date prior to the printing of this Supplemental Letter.

### 1.5 Purpose of this Supplemental Letter

The purpose of this Supplemental Letter is to provide Shareholders with relevant information pertaining to the revised Offer and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors with regard to the revised Offer. Shareholders should carefully consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors set out in this Supplemental Letter before deciding whether or not to accept the revised Offer.

**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, solicitor, accountant, tax adviser or other professional adviser immediately.**

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Supplemental Letter.

## 2. THE REVISED OFFER

The Offeror has offered to acquire the Offer Shares on the terms and subject to the conditions set out in the Revision Notification, the Revision Announcement, the Offer Document, the FAA and/or the FAT. The principal terms and conditions of the revised Offer, as extracted from the Revision Notification, are set out below.

### 2.1 Final Offer Price

As stated in the Revision Notification, the Offeror is making the revised Offer on the following basis:

**For each Offer Share: S$0.85 in cash.**

**The Offeror does not intend to revise the Final Offer Price.**

The Final Offer Price of S$0.85 in cash for each Offer Share is S$0.115 higher than the preceding offer price from the Offeror of S$0.735 for each Offer Share.

Therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the revised Offer, including the Final Offer Price, in any way. Pursuant to Rule 20.4 of the Code and as stated in the Revision Notification, **Shareholders who have earlier accepted the Offer are entitled to also receive the Final Offer Price. No further action in respect of the Offer is required to be taken by Shareholders who have already validly accepted the Offer.**

### 2.2 No Encumbrances

As stated in the Revision Announcement, the Offer Shares are to be acquired (i) fully paid-up, (ii) free from all Encumbrances, and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date, other than the FY2015 Dividend paid by the Company on 11 May 2016).

For the avoidance of doubt, Shareholders who have received or are entitled to receive payment of the FY2015 Dividend and accept the Offer will be entitled to retain the FY2015 Dividend.

In the event any dividends, rights, distributions or return of capital other than the FY2015 Dividend is declared, made or paid on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Final Offer Price by the amount of such dividends, rights distributions or return of capital paid by the Company to such accepting Shareholder.

References in this paragraph to "**FY2015 Dividend**" shall mean the final one-tier tax-exempt dividend of 1.00 Singapore cent per ordinary share in respect of the financial year ended 31 December 2015, which was paid on 11 May 2016.

### 2.3 Other terms

As stated in the Revision Notification, save as disclosed in the Revision Notification, all other terms and conditions of the Offer as set out in the Offer Document remain unchanged.

### 2.4 Further Extension of Closing Date

As stated in the Revision Notification, the Closing Date has been extended from 5.30 p.m. (Singapore time) on 7 July 2016 to 5.30 p.m. (Singapore time) on 25 July 2016 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror).

## 3. IRREVOCABLE UNDERTAKINGS

### 3.1 Irrevocable Undertaking in relation to the Offer

(i) As at the date of the Revision Announcement, SZ TGM holds 81,910,701 Shares, representing approximately 21.26% of the total Shares. SZ TGM has executed an irrevocable undertaking (the "**SZ TGM Undertaking**") in favour of the Offeror, pursuant to which SZ TGM has undertaken and agreed, amongst other things, to not accept the Offer in respect of (a) all Shares held by it; and (b) any other Shares which it may acquire, or which may be allotted and issued to it, on or after the date of the SZ TGM Undertaking. In this regard, SZ TGM has confirmed that it will not accept the revised Offer in accordance with the terms of the SZ TGM Undertaking.

(ii) As stated in the Revision Announcement, on 3 July 2016, each of the persons set out below (the "**Undertaking Shareholders**") has executed irrevocable undertakings (collectively, the "**Acceptance Undertakings**") in favour of the Offeror that, subject to the Offeror revising the Offer Price to a price not less than S$0.85, it shall *inter alia*, accept, or procure the acceptance of, the Offer in respect of (a) all the Shares held by it as at the date of the Acceptance Undertakings, and (b) any other Shares that it may acquire, or which may be issued or allotted to it, on or after the date of the Acceptance Undertakings. As at the date of the Acceptance Undertakings, the Shares held, directly or indirectly, by each of the Undertaking Shareholders are set out below and in aggregate comprise 37,121,388 Shares, representing approximately 9.63% of the total Shares.

| Name | Number of Shares | Percentage of Total Shares (%) |
|---|---|---|
| Lee Woo Sau Yin Gloria (in respect of her Shares and Shares held by Peako Assets Limited) | 14,100,000 | 3.66 |
| Cheong Loo Kheng | 4,740,000 | 1.23 |
| Leong Huat (Investment) Pte Ltd | 3,943,600 | 1.02 |
| Winmark Investments Pte Ltd | 2,422,800 | 0.63 |
| Chan Mei Lin Pearly | 2,408,000 | 0.62 |
| Soon Kong Ann | 1,360,000 | 0.35 |
| Ooi Keat Bee Carole Ann | 1,300,000 | 0.34 |
| Sng Hee Kwee | 1,140,188 | 0.30 |
| Lau Huang Nam | 1,100,000 | 0.29 |
| John Wong Weng Foo | 836,000 | 0.22 |
| Ooi Thean Yat Ronald Anthony | 800,000 | 0.21 |
| Ang Loo Ting Sharon | 720,000 | 0.19 |
| Sng Teck Kong | 668,200 | 0.17 |
| Poh Eng Choo | 473,000 | 0.12 |
| Thomas William Ashworth | 400,000 | 0.10 |
| Soon Hwee Cheng | 200,400 | 0.05 |
| Leong Huat Equities Pte Ltd | 161,800 | 0.04 |
| Soon Kong Kheng | 140,000 | 0.04 |
| Soon Kong Aik | 107,400 | 0.03 |
| Tan Tien Hin Winston | 100,000 | 0.03 |
| **Total** | **37,121,388** | **9.63** |

(iii) As stated in the Revision Announcement, save for the SZ TGM Undertaking and the Acceptance Undertakings, neither the Offeror nor any persons acting in concert with the Offeror has received any irrevocable undertaking from any other person to accept or reject the Offer.

**3.2 Lapse**

(i) The obligation of SZ TGM under the SZ TGM Undertaking shall lapse in the event that the Offer is withdrawn or lapses for any reason other than as a result of a breach by SZ TGM of any of its obligations under the SZ TGM Undertaking.

(ii) As stated in the Revision Announcement, each of the Acceptance Undertakings will terminate or lapse in the event that the Offer is withdrawn or lapses for any reason other than as a result of a breach by any of the Undertaking Shareholders of any of its obligations under the Acceptance Undertakings.

### 3.3 No Compulsory Acquisition

In view of the SZ TGM Undertaking, the Offeror does not expect to receive sufficient valid acceptances of the Offer in order to meet the threshold for compulsory acquisition under Section 215(1) of the Companies Act. Accordingly, the Offeror will not be entitled to exercise any rights under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the dissenting Shareholders. Dissenting Shareholders will also not be entitled to exercise their rights under Section 215(3) of the Companies Act to require the Offeror to acquire their Shares.

## 4. ADVICE AND RECOMMENDATIONS

### 4.1 General

Xandar Capital, the independent financial adviser to the Independent Directors in respect of the Offer, has issued an advice in respect of the revised Offer. Shareholders should read and consider carefully the recommendations of the Independent Directors and the advice of the IFA to the Independent Directors dated 18 July 2016 ("**Supplemental IFA Letter**") as appended herein, before deciding whether to accept or reject the revised Offer.

### 4.2 Independent Directors

Dr. Soon Kong Ann and Mr. Lee Dah Khang are considered independent for the purposes of making a recommendation to Shareholders in relation to the Offer.

As stated in the Offer Document, the SIC has ruled that each of Mr. Zheng Zuhua, Mr. Yu Yuqun and Ms. Zeng Beihua is exempted from the requirement to make a recommendation to Shareholders in connection with the Offer. Each of Mr. Zheng Zuhua, Mr. Yu Yuqun and Ms. Zeng Beihua has a conflict of interests in relation to the Offer as he or she is a director, employee and/or nominee of the Offeror and/or persons acting in concert with it.

Notwithstanding such exemption, Mr. Zheng Zuhua, Mr. Yu Yuqun and Ms. Zeng Beihua will still assume responsibility for the accuracy of the facts stated and opinions expressed in documents, announcements and/or advertisements issued by or on behalf of the Company in connection with the Offer.

### 4.3 Advice of the IFA

Unless otherwise defined or the context otherwise requires, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Supplemental IFA Letter.

After carefully considering all available information and based on Xandar Capital's assessment of the financial terms of the revised Offer, Xandar Capital has advised the Independent Directors to make the following recommendations to Shareholders in relation to the revised Offer.

***"we are of the opinion that, as of the date hereof, the financial terms of the revised Offer are fair and reasonable, and we advise the Independent Directors to recommend the Shareholders to ACCEPT the revised Offer unless the Shareholders are able to obtain a price higher than the Final Offer Price on the open market, after taking into account all brokerage commissions or transaction costs in connection with open market transactions."***

**Shareholders should read the extracts in paragraph 4.3 above in conjunction with, and in the context of, the full text of the Supplemental IFA Letter which is set out in Appendix 1 to this Supplemental Letter.**

**4.4 Recommendation of the Independent Directors in respect of the Revised Offer**

The Independent Directors, having considered carefully the terms of the revised Offer and the advice given by Xandar Capital in the Supplemental IFA Letter, concur with the advice given by Xandar Capital in respect of the revised Offer as extracted from the Supplemental IFA Letter and reproduced in paragraph 4.3 above. In particular, the Independent Directors noted from the Supplemental IFA Letter that:–

(a) the P/E ratio (as defined in paragraph 5.4 of the Supplemental IFA Letter) of the Group, as implied by the Final Offer Price, whilst below the mean, is now above the median and within the range of P/E ratios of the Comparable Companies (as defined in paragraph 5.4 of the Supplemental IFA Letter);

(b) the P/RNAV and P/RNTA ratios (each as defined in paragraph 5.4 of the Supplemental IFA Letter) of the Group, as implied by the Final Offer Price, the RNAV (excluding NCI) and the RNTA (excluding NCI), whilst below the mean and median, are within the range of P/NAV and P/NTA ratios of the Comparable Companies;

(c) the premium implied by the Final Offer Price over the last transacted price and VWAP for the 3-month period prior to the Offer Announcement Date of the Shares, whilst below the mean, is within the range of and is now above the median premiums of Recent Transactions (as defined in Paragraph 5.6 of the Supplemental IFA Letter);

(d) the premium implied by the Final Offer Price over the VWAP for the 6-month period prior to the Offer Announcement Date of the Shares, is within the range and is now above the mean and median premiums of Recent Transactions (as defined in Paragraph 5.6 of the Supplemental IFA Letter);

(e) the Final Offer Price now represents a premium of 9.4% (or S$0.073) to the RNAV (excluding NCI) per Share of S$0.777 as at 31 March 2016;

(f) in July 2015, the Company disposed of a non-controlling 30% equity interest in Tianda on a P/E ratio of 9.5 times which is lower than the P/E ratio of 24.3 times for the Group as implied by the Final Offer Price; and

(g) the Shares have not closed above the Final Offer Price for the 12 months prior to the Offer Announcement Date up till the date of the Revision Announcement.

**Accordingly, the Independent Directors recommend that:**

***"Shareholders ACCEPT the revised Offer or to sell their Shares in the open market if they can obtain a price higher than the Final Offer Price (after deducting all brokerage commissions or transaction costs in connection with open market transactions)."***

In this regard, Dr. Soon Kong Ann had previously recommended in the Offeree Circular that Shareholders reject the Offer for the reasons set out in paragraph 7.5 of the Offeree Circular. The Offeror subsequently contacted Dr. Soon Kong Ann to seek further clarification and reasoning on his recommendation and pursuant to, *inter alia*, such discussions, the Offeror agreed to raise the Offer Price. Based on the Final Offer Price, Dr. Soon Kong Ann is of the view that the terms of the revised Offer would address most of his concerns as set out in the Offeree Circular, and has therefore changed his recommendation as aforesaid for the reasons set out above.

**4.5 Delisting**

Pursuant to Rule 1104 of the Catalist Rules, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total Shares (excluding any Shares held by the Company as treasury shares), the SGX-ST may suspend the trading of the Shares in the ready and unit share markets until it is satisfied that at least 10% of the total Shares (excluding any Shares held by the Company as treasury shares) are held by at least 200 Shareholders who are members of the public (the "**Free Float Requirement**"). Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total Shares (excluding any Shares held by the Company as treasury shares), thus causing the percentage of the total Shares (excluding any Shares held by the Company as treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

The Offeror does not intend to maintain the present listing status of the Company. **In the event the Company does not meet the Free Float Requirement, the Offeror does not intend to take any actions for any trading suspension in the securities of the Company to be lifted or support any actions by the Company to maintain its listing status.** In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the Catalist Board of the SGX-ST pursuant to Rules 1307 and 1308 of the Catalist Rules. Accordingly, Shareholders who do not accept the revised Offer may hold Shares in a delisted entity.

**4.6 No Regard to Specific Objectives**

In rendering the advice and making their recommendations above, both Xandar Capital and the Independent Directors have not had regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

**Shareholders are advised to read the full text of the Supplemental IFA Letter set out in Appendix 1 to this Supplemental Letter carefully before deciding whether to accept or reject the revised Offer. Shareholders should note that the IFA's opinions should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the revised Offer.**

## 5. OVERSEAS SHAREHOLDERS

This Supplemental Letter may not be sent to Overseas Shareholders due to potential restrictions on sending such documents to the relevant overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nevertheless, attend in person and obtain a copy of this Supplemental Letter during business hours and up to 5.30 p.m. (Singapore time) on the Closing Date, from the office of the Share Registrar, KCK CorpServe Pte. Ltd. at 333 North Bridge Road, #08-00 KH Kea Building, Singapore 188721, or download a copy of this Supplemental Letter from SGXNET, or make a request in writing to the Share Registrar at the above-stated address for this Supplemental Letter to be sent to an address in Singapore by ordinary post at his own risk, up to five Market Days prior to the Closing Date.

In requesting for this Supplemental Letter and any related documents, each of the Overseas Shareholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

## 6. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors should refer to Section 13 of the Offer Document, the relevant portion of which is reproduced in *italics* below. Unless otherwise stated, all terms and expressions used in the extract below shall have the meanings given to them in the Offer Document.

*"**13. GENERAL***

*CPFIS Investors and SRS Investors will receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice. CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their CPF investment accounts and SRS investment accounts."*

## 7. ACTION TO BE TAKEN BY SHAREHOLDERS

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

Shareholders who wish to accept the Offer must do so not later than **5.30 p.m. on 25 July 2016**. The Directors would like to draw the attention of Shareholders who wish to accept the Offer to the "Procedures for Acceptance" as set out in Appendix VI to the Offer Document and in the accompanying FAA and/or FAT.

Acceptances should be completed and returned as soon as possible to the Offeror and, in any event, so as to be received by CDP (in respect of the FAA) or the Share Registrar (in respect of the FAT), as the case may be, not later than 5.30 p.m. on 25 July 2016.

**Shareholders who have earlier accepted the Offer are entitled to also receive the Final Offer Price. No further action in respect of the Offer is required to be taken by Shareholders who have already validly accepted the Offer.**

## 8. ADDITIONAL GENERAL INFORMATION

Additional general information relating to the Company (updated from the information set out in Appendix II to the Offeree Circular) is set out in Appendix 2 to this Supplemental Letter.

## 9. RESPONSIBILITY STATEMENT

Save for (a) the recommendation of the Independent Directors to Shareholders set out in paragraph 4.4 of this Supplemental Letter which is the sole responsibility of the Independent Directors, (b) the Supplemental IFA Letter and (c) information extracted *in toto* from the Offer Document, the Revision Notification, the Revision Announcement and the Supplemental IFA Letter, the Directors (including any who may have delegated detailed supervision of this Supplemental Letter) collectively and individually accept full responsibility for the accuracy of the information given in this Supplemental Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Supplemental Letter constitutes full and true disclosure of all material facts about the Group in the context of the revised Offer and the Directors are not aware of any material facts the omission of which would make any statement in this Supplemental Letter misleading.

In respect of the Supplemental IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are, after having made all reasonable enquiries and to the best of their knowledge and belief, fair and accurate in all material aspects.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror (including, without limitation, the Offer Document, the Revision Notification, the Revision Announcement and the Supplemental IFA Letter), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is 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.

Yours faithfully

For and on behalf of the Board of Directors of
**PTERIS GLOBAL LIMITED**

Lee Dah Khang
Independent Director

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# APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

18 July 2016

**Pteris Global Limited**
28 Quality Road
Singapore 618828

Attention: The Independent Directors

Dear Sirs

**VOLUNTARY UNCONDITIONAL CASH OFFER BY DBS BANK LTD. FOR AND ON BEHALF OF SHARP VISION HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF PTERIS GLOBAL LIMITED**
**- REVISION OF OFFER PRICE**

*Unless otherwise defined or the context otherwise requires, all terms used in this Supplemental IFA Letter shall have the same meanings as defined in the supplemental letter to Shareholders issued by the Company to its shareholders dated 18 July 2016 in relation to the revision to the Offer (the "**Supplemental Letter**"), the Offer Document, and/or the announcement issued by DBS Bank on 3 July 2016 for and on behalf of the Offeror in respect of the revision to the Offer (the "**Offer Revision Announcement**"), as the case may be.*

## 1. INTRODUCTION

On 21 April 2016 (the "**Offer Announcement Date**"), DBS Bank Ltd. ("**DBS Bank**") announced, for and on behalf of Sharp Vision Holdings Limited (the "**Offeror**"), that the Offeror intends to make a voluntary unconditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of Pteris Global Limited (the "**Company**"), other than those Shares held, directly or indirectly, by the Offeror and Shenzhen TGM Ltd. ("**SZ TGM**") (the "**Offer Shares**").

On 3 July 2016 (the "**Offer Price Revision Announcement Date**"), DBS Bank announced, for and on behalf of the Offeror, that the Offeror has revised the Offer Price to S$0.85 ("**Final Offer Price**") and the Offeror does not intend to revise the Final Offer Price.

The Company has appointed Xandar Capital Pte. Ltd. ("**Xandar Capital**") as the independent financial adviser (the "**IFA**") to the Independent Directors, to advise whether the revised terms of the Offer are fair and reasonable. This letter sets out, *inter alia*, our evaluation and advice on the revised terms of the Offer ("**Supplemental IFA Letter**"), and forms part of the Supplemental Letter which provides, *inter alia*, the details of the revisions to the Offer and the recommendation of the Independent Directors in respect thereof.

## 2. TERMS OF REFERENCE

Xandar Capital has been appointed as the IFA to advise the Independent Directors on whether the terms of the revised Offer are fair and reasonable.

Our evaluation is limited to the revised terms of the Offer and our terms of reference do not require us to evaluate or comment on the rationale for, legal, strategic or commercial and/or risks or merits (if any) of the Offer. We have not relied on any financial projections or forecasts in respect of the Company or the Group. We are not required to express and we do not express any view herein on the growth prospects, financial position and earnings potential of the Company or the Group after the close of the Offer. We are also not expressing any view herein as to the prices at which the Shares may trade upon the close of the Offer. 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.

We are not and were not involved in any aspect of the negotiations pertaining to the Offer (including the Final Offer Price by the Offeror), and 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 Offer to any other alternative transaction. We are also not addressing the relative merits of the Offer as compared to any alternative transaction, or other alternatives, or whether such alternatives can be achieved or are or will be available in future. We have also not conducted any review of the business, operations or financial condition of the Company and the Group.

We have not made any independent evaluation or appraisal of the assets or liabilities (including without limitation, real property) of the Group. The Company has appointed an independent valuer, Colliers International (Hong Kong) Limited (the "**Valuer**"), to value the properties held by the Group and we have been furnished with the following independent valuation reports:

(a) valuation report dated 10 May 2016 on the value of the property at No. 9 Fuyuan Er Road, Fuyong Sub-district, Bao'an District, Shenzhen, Guangdong Province, PRC, ("**Shenzhen CIMC-Tianda Airport Support Factory**") as at 30 April 2016;

(b) valuation report dated 10 May 2016 on the value of the property at No. 4 Gongye 4th Road, Nanshan District, Shenzhen, Guangdong Province, PRC ("**Shenzhen Shekou CIMC Industrial Property**") as at 30 April 2016;

(c) valuation report dated 10 May 2016 on the value of the property at No. 188 Xingye Er Road, Chaobai River Development Area, Hui Autonomous County of Dachang, Langfang, Hebei Province, PRC ("**Langfang CIMC Airport Support Factory**"), as at 30 April 2016;

(d) valuation report dated 10 May 2016 on the value of the property at No. 658 Jiande Road, Zhangpu Town, Kunshan, Jiangsu Province, PRC ("**Kunshan CIMC Industrial Property**"), as at 30 April 2016; and

(e) valuation report dated 10 May 2016 on the value of the property at 28 Quality Road, Singapore 618828 ("**28 Quality Road**"), as at 30 April 2016,

collectively, the "**Valuation Reports**". The Valuation Certificates issued by the Valuer in respect of the Valuation Reports are set out in Appendix V of the Circular.

We have placed sole reliance thereon for the valuation and/or information contained therein. We are not involved and assume no responsibility for the Valuation Reports and the Valuation Certificates. We have also not made any independent verification of the matters or bases set out in the Valuation Reports and the Valuation Certificates. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

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. Nonetheless, we have made reasonable enquiries and used our judgement in assessing such information and have found no reason to doubt the accuracy and reliability of such information. The Directors have jointly and severally accepted full responsibility for the accuracy, completeness and adequacy of all such information and representations as provided and made by the aforesaid parties as contained herein.

We have relied upon the assurance of the Directors that the Directors collectively and individually accept full responsibility for the accuracy of the information given in the Circular and the Supplemental Letter, and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, the Circular and the Supplemental Letter constitute full and true disclosure of all material facts about the Offer, the Company and the Group as at the Latest Practicable Date. The Directors are not aware of any facts the omission of which would make any statement in the Circular and the Supplemental Letter misleading. Where information in the Circular and the Supplemental Letter has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular and the Supplemental Letter in its proper form and context. In relation to this Supplemental IFA Letter, the Directors have confirmed that the facts stated, with respect to the Group and the Offer, are to the best of their knowledge and belief, fair and accurate in all material aspects.

Our opinion is based upon prevailing market, economic, industry, monetary and other conditions (where applicable) and the information made available to us that is contained in the Circular, the Supplemental Letter, the Offer Document and the Offer Revision Announcement as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained therein. Shareholders should take note of any announcements relevant to their consideration of the Offer, which may be released by the Company and/or the Offeror after the Latest Practicable Date.

**In arriving at our opinion, we did not consider the specific investment objectives, financial situation, tax consequences, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment objectives or portfolios should consult his or their legal, financial, tax or other professional advisors 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.**

**The Company has been separately advised by its own advisers in the preparation of the Supplemental Letter (other than the 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 the 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 opinion in relation to the revised Offer should be considered in the context of the entirety of this Supplemental IFA Letter, the Circular and the Supplemental Letter.**

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

## 3. THE REVISED OFFER

The Offer is made in accordance with Rule 15 of the Code and subject to the terms and conditions set out in the Offer Document and the Offer Revision Announcement. Salient terms of the revised Offer are set out as follows:

### 3.1 FINAL OFFER PRICE

**Final Offer Price : S$0.85 in cash**

**The Offeror does not intend to revise the Final Offer Price.**

### 3.2 NO ENCUMBRANCES

The Offer Shares are to be acquired (i) fully paid-up, (ii) free from any Encumbrances, and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date, other than the FY2015 Dividend paid by the Company on 11 May 2016).

For the avoidance of doubt, Shareholders who have received or are entitled to receive payment of the FY2015 Dividend and accept the Offer will be entitled to retain the FY2015 Dividend.

In the event any dividends, rights, distributions or return of capital other than the FY2015 Dividend is declared, made or paid on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Final Offer Price by the amount of such dividends, rights, distributions or return of capital paid by the Company to such accepting Shareholder.

### 3.3 UNCONDITIONAL OFFER

The Offer is unconditional in all respects.

## 3.4 IRREVOCABLE UNDERTAKINGS

Save as disclosed below, as at 5 July 2016, neither the Offeror nor any person acting in concert with the Offeror has received any irrevocable undertaking from any other person to accept or reject the Offer.

### 3.4.1 SZ TGM

As at the Latest Practicable Date, SZ TGM holds 81,910,701 Shares, representing approximately 21.26% of the total Shares. SZ TGM has executed an irrevocable undertaking (the "**SZ TGM Undertaking**") in favour of the Offeror, pursuant to which SZ TGM has undertaken and agreed, amongst other things, to not accept the Offer in respect of (a) all Shares held by it; and (b) any other Shares which it may acquire, or which may be allotted and issued to it, on or after the date of the SZ TGM Undertaking.

The SZ TGM Undertaking will terminate or lapse in the event that the Offer is withdrawn or lapses for any reason other than as a result of a breach by SZ TGM of any of its obligations under the SZ TGM Undertaking.

**Rationale for the SZ TGM Undertaking**

The Offeror made a clarification announcement on 27 May 2016 to clarify, *inter alia*, the rationale for the SZ TGM Undertaking. We have extracted certain sections in *italics* as follows:

*"The Offeror had, in connection with the Offer, intended for SZ TGM to provide the SZ TGM Undertaking due to its desire for continuity of management and minimal interruption of the Group's business notwithstanding the Offer and the intention to delist the Company. As such, it had approached its concert party, SZ TGM to provide the SZ TGM Undertaking. The SZ TGM Undertaking was also sought as it would also reduce the financial outlay required from the Offeror to undertake the Offer as no payment would need to be made to its concert party, SZ TGM."*

*"In view of its history with CIMC and the Offeror, which had started from the time of the original investment in Tianda, SZ TGM is supportive of the Offer and the intention to delist the Company. Accordingly, it had agreed to provide the SZ TGM Undertaking and to continue working with CIMC in the management of the Company going forward."*

### 3.4.2 Undertaking Shareholders

On 3 July 2016, DBS Bank announced, for and on behalf of the Offeror, that twenty (20) Shareholders (the "**Undertaking Shareholders**", details of which are set out in Section 3.1 of the Supplemental Letter) have executed irrevocable undertakings (collectively, the "**Acceptance Undertakings**") in favour of the Offeror that, subject to the Offeror revising the Offer Price to a price not less than S$0.85, they shall *inter alia*, accept, or procure the acceptance of, the Offer in respect of (a) all the Shares held by them as at the date of the Acceptance Undertakings, and (b) any other Shares that it may acquire, or which may be issued or allotted to it, on or after the date of the Acceptance Undertakings.

As set out above, DBS Bank announced, for and on behalf of the Offeror, the revision of the Offer Price to S$0.85 on 3 July 2016.

## 3.5 LOSS OF FREE FLOAT

As at the Latest Practicable Date, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with it; and (b) valid acceptances to the Offer, amount to an aggregate of 350,728,259 Shares, representing approximately 91.01% of the total Shares.

Pursuant to Rule 1104 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total Shares (excluding any Shares held by the Company as treasury shares), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total Shares (excluding any Shares held by the Company as treasury shares) are held by at least 200 Shareholders who are members of the public (the "**Free Float Requirement**").

As the percentage of the total number of Shares which are held in public hands is less than 10%, the Company will no longer meet the Free Float Requirement prescribed by Rule 723 of the Catalist Rules.

As set out in Section 9.1 of the Offer Document, if the Free Float Requirement is not satisfied at the close of the Offer and the trading of the Shares on the SGX-ST is suspended at the close of the Offer, the Offeror does not intend to take any actions for any trading suspension in the securities of the Company to be lifted or support any actions by the Company to maintain its listing status. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the Catalist Board of the SGX-ST pursuant to Rules 1307 and 1308 of the Catalist Rules.

## 4. THE OFFEROR

## 4.1 INFORMATION ON THE OFFEROR AND CIMC

Information on the Offeror and CIMC is set out in Section 4 and Appendix I and II of the Offer Document. We have extracted certain sections in *italics* as follows:

*"The Offeror is an investment holding company incorporated under the laws of Hong Kong SAR on 30 January 2008. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of HK$1.00, consisting of one (1) ordinary share, which is held by CIMC HK. CIMC HK is in turn a wholly-owned subsidiary of CIMC."*

*"CIMC is a multinational conglomerate listed on the Hong Kong Stock Exchange and Shenzhen Stock Exchange, with a market capitalisation of approximately RMB34.7 billion as at the Latest Practicable Date."*

*"CIMC is a leading player in the manufacture and supply of containers, special purpose vehicles and heavy trucks, equipment for the energy, chemicals and liquid food industries and offshore engineering. CIMC's other businesses also include real estate development and financial leasing."*

## 4.2 OFFEROR'S INTENTION FOR THE COMPANY AND THE GROUP

We understand from the Offer Document that the Offeror is making the Offer to increase its shareholding in the Company.

It is currently the intention of the Offeror to ensure continuity in the operations of the Group and to steer the Group towards further growth and development. The Offeror also intends to undertake a review of the operations, management and financial position of the Company and to evaluate various options or opportunities which may present themselves which it regards to be in the interests of the Offeror and/or the Company.

Save as disclosed above, the Offeror does not currently have any intention to make major changes to (a) the business of the Company, (b) the deployment of the fixed assets of the Company, or (c) the employment of the employees of the Group.

## 5. EVALUATION OF THE REVISED OFFER

In our evaluation of the revised Offer, we have taken into account the following factors which we consider to be pertinent and to have a significant bearing on our evaluation:

(a) the market performance of the Shares;

(b) the Valuation Reports;

(c) the net asset value and revalued net asset value of the Group;

(d) the valuation of the Group implied by the Final Offer Price versus the valuation of companies comparable to the Group;

(e) comparison with the reverse takeover of the Company by Shenzhen CIMC-Tianda Airport Support Ltd;

(f) comparison with recent transactions;

(g) the financial performance of the Group;

(h) the dividend track record of the Company; and

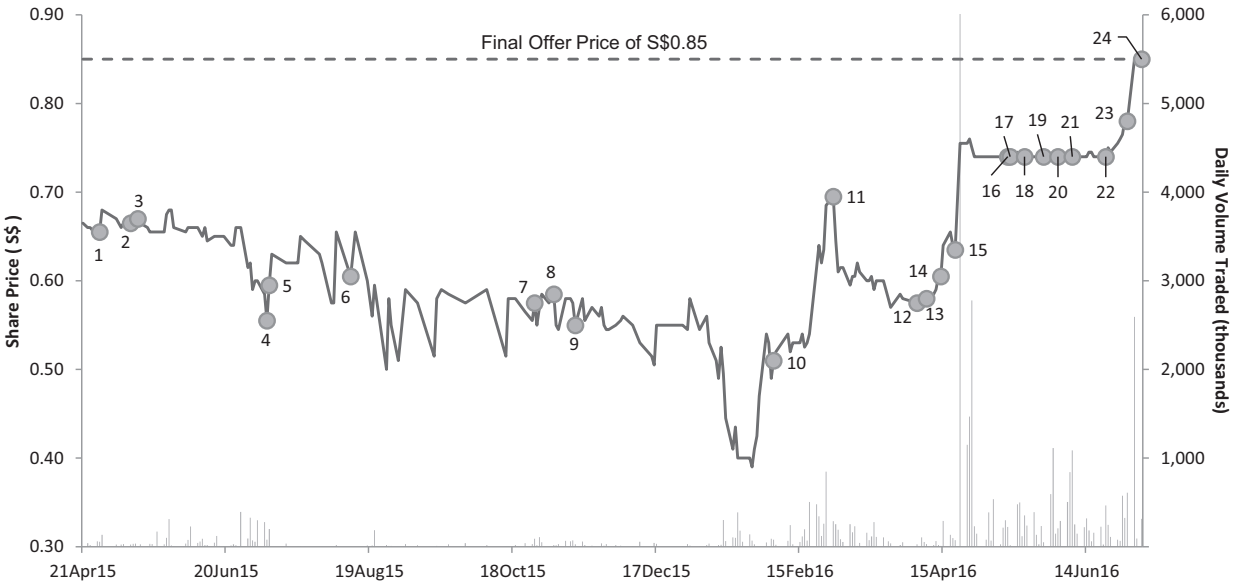
(i) other considerations.

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

## 5.1 MARKET PERFORMANCE OF THE SHARES

### 5.1.1 Historical Performance of the Shares

The historical price chart (based on closing prices and the number of Shares traded on a daily basis) for the Shares during the period commencing 12 months prior to the Offer Announcement Date and ending on the Latest Practicable Date is set out below:




*Source: Bloomberg Finance L.P.*

A summary of the salient announcements and events relating to the Company during the aforesaid period is set out below:

| No. | Date | Event |
|---|---|---|
| 1. | 28 Apr 2015 | The Company announced the appointment of Mr. Lee Dah Khang as an Independent Director of the Company.<br><br>The Company also announced the cessation of Mdm. Gan Siok Loon, Mr. Fong Heng Boo and Mr. Robert Chew as Independent Directors of the Company.<br><br>The Company announced the cessation of Mr. Low Kok Hua as the Non-Executive Director of the Company and his subsequent appointment and re-designation as a senior adviser to the Company. |

| No. | Date | Event |
|---|---|---|
| 2. | 11 May 2015 | The Company announced that Shenzhen CIMC-Tianda Airport Support Ltd, a subsidiary of the Company, had received a letter of award from Eastern Air Logistic Co. Ltd. for the supply and installation of cargo handling system equipment for Shanghai Pudong International Airport's west cargo area (the "**EAL Contract**"). The EAL Contract was valued at approximately RMB71 million and the project was expected to be completed by the end of 2016.<br><br>The Company also announced that Pteris Global (Suzhou) Limited, a subsidiary of the Company, had entered into a strategic framework agreement with SF Express, a dominant player in the express courier handling in China, for the supply of sort systems. |
| 3. | 14 May 2015 | The Company announced its unaudited consolidated financial statements for the three months ended 31 March 2015. The Company reported revenues of S$29.0 million and loss attributable to equity holders of the Company of S$0.5 million for the three months ended 31 March 2015. |
| 4. | 7 Jul 2015 | The Company announced the completion of the disposal of its 30% interest in Shenzhen CIMC-Tianda Airport Support Ltd. |
| 5. | 8 Jul 2015 | The Company announced that it had on 7 July 2015 made full repayment to the syndicate of banks comprising Australia and New Zealand Banking Group Limited, Singapore Branch, DBS Bank, ING Bank N.V., Singapore Branch and Standard Chartered Bank in relation to the short-term revolving credit facility of S$52 million. |
| 6. | 12 Aug 2015 | The Company announced its unaudited consolidated financial statements for the six months ended 30 June 2015. The Company reported revenues of S$91.6 million and profit attributable to equity holders of the Company of S$1.0 million for the six months ended 30 June 2015. |
| 7. | 27 Oct 2015 | The Company announced that it had secured three contracts worth an aggregate of approximately S$64.2 million from customers in China and the United States of America ("**USA**"). The first contract, worth RMB114.8 million, involves the design, supply, installation and testing of passenger boarding bridges and ancillary equipment for the new Terminal 3 at Wuhan Tianhe International Airport in China. The second contract, worth RMB119.5 million, was for the supply and installation of new passenger boarding bridges for Terminal 2 at Guangzhou Baiyun International Airport in China. In addition, Pteris Global (USA) Inc., a subsidiary of the Company, was awarded US$4.3 million worth of orders of baggage handling systems as part of the revitalisation of Terminal 3 of Phoenix Sky Harbour International Airport in Arizona, USA. |

| No. | Date | Event |
|---|---|---|
| 8. | 4 Nov 2015 | The Company announced that on 3 November 2015, it had entered into a sale and purchase agreement with CIMC Flight B.V. for the proposed acquisition of 100% of the issued and paid-up shares in CIMC Air Marrel SAS by the Company, for an aggregate purchase consideration of Euro ("**EUR**") 1.5 million. |
| 9. | 13 Nov 2015 | The Company announced its unaudited consolidated financial statements for the nine months ended 30 September 2015. The Company reported revenues of S$195.8 million and profit attributable to equity holders of the Company of S$6.4 million for the nine months ended 30 September 2015. |
| 10. | 4 Feb 2016 | The Company announced that Shenzhen CIMC-Tianda Airport Support Ltd, a subsidiary of the Company, had received a letter of acceptance from the Airport Authority Hong Kong for the supply and replacement of 75 units of aircraft loading bridges at Terminal 1 of Hong Kong International Airport. The contract was valued at Hong Kong Dollar ("**HK$**") 238.5 million and was expected to be completed by 2018. |
| 11. | 29 Feb 2016 | The Company announced its unaudited consolidated financial statements for the year ended 31 December 2015. The Company reported revenues of S$341.3 million and profit attributable to equity holders of the Company of S$13.2 million for the year ended 31 December 2015. |
| 12. | 4 Apr 2016 | The Company announced the cessation of Dr. Li Yinhui as Non-Executive Chairman and Non-Executive Director of the Company.<br><br>The Company also announced the cessation of Mr. Zheng Zuhua as Group Chief Executive Officer of the Company.<br><br>Following the cessation of Mr. Zheng Zuhua, the Company announced the appointment of Mr. Chang Shaomin as the Group Chief Executive Officer of the Company. |

| No. | Date | Event |
|---|---|---|
| 13. | 8 Apr 2016 | The Company announced that 62,418,551 deferred Shares were to be allotted and issued to Sharp Vision Holdings Limited and SZ TGM in connection with the acquisition of 100% of the equity interests in Shenzhen CIMC-Tianda Airport Support Ltd from China International Marine Containers (Hong Kong) Ltd and SZ TGM.<br><br>Having considered *inter alia*, the impending allotment and issue of the 62,418,551 Shares, working capital requirements of the Company and general business and operational conditions, the Directors recommended a revised dividend per share of 1.00 Singapore cents, which was lower than the initial dividend per share of 1.19 Singapore cents which was announced together with the unaudited consolidated financial statements for the year ended 31 December 2015 on 29 February 2016. |
| 14. | 14 Apr 2016 | The Company announced that on 14 April 2016, it had allotted and issued 62,418,551 shares to Sharp Vision Holdings Limited and SZ TGM for the acquisition of 100% of the equity interests in Shenzhen CIMC-Tianda Airport Support Ltd from China International Marine Containers (Hong Kong) Ltd and SZ TGM. |
| 15. | 21 Apr 2016 | The Offeror announced the Offer.<br><br>The Company also announced that the shares allotted and issued to Sharp Vision Holdings Limited and SZ TGM for the acquisition of 100% of the equity interests in Shenzhen CIMC-Tianda Airport Support Ltd from China International Marine Containers (Hong Kong) Ltd and SZ TGM have been listed and quoted on the Catalist Board of the Singapore Exchange Securities Trading Limited. |
| 16. | 12 May 2016 | Despatch of the Offer Document. |
| 17. | 13 May 2016 | The Company announced that the SIC has granted an extension of time to the Company for the Circular to be despatched by 2 June 2016, instead of 26 May 2016. |
| 18. | 19 May 2016 | The Company made a clarification announcement that the Offer will remain open for at least 14 days after 9 June 2016 and will close at 5.30 p.m. on 23 June 2016 at the earliest (subject to any further extension as may be announced by DBS Bank, for and on behalf of the Offeror). |

| No. | Date | Event |
|---|---|---|
| 19. | 27 May 2016 | The Company announced its unaudited consolidated financial statements for the three months ended 31 March 2016. The Company reported revenues of S$41.9 million and loss attributable to equity holders of the Company of S$0.3 million for the three months ended 31 March 2016.<br><br>DBS Bank announced, for and on behalf of the Offeror, a clarification announcement on the rationale for the SZ TGM Undertaking, further details of which can be found in paragraph 3.4.1 of this Supplemental IFA Letter. |
| 20. | 2 Jun 2016 | Despatch of the Circular. |
| 21. | 8 Jun 2016 | DBS Bank announced, for and on behalf of the Offeror, that the Closing Date of the Offer will be extended to 23 June 2016 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror). |
| 22. | 22 Jun 2016 | DBS Bank announced, for and on behalf of the Offeror, that the Closing Date of the Offer will be extended to 7 July 2016 (or such later date(s) as may be announced from time to time by or on behalf of the Offeror). |
| 23. | 3 Jul 2016 | DBS Bank announced, for and on behalf of the Offeror, the revision to the Offer Price and receipt of the Acceptance Undertakings from twenty (20) Shareholders holding in total 37,121,388 Shares, representing approximately 9.63% interest in the Company. Please refer to paragraph 3.4.2 of this Supplemental IFA Letter for further details of these Acceptance Undertakings. |
| 24. | 7 Jul 2016 | DBS Bank announced, for and on behalf of the Offeror, that as at 5.00 p.m. on 7 July 2016, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with it; and (b) valid acceptances to the Offer, amount to an aggregate of 350,728,259 Shares, representing approximately 91.01% of the total Shares. Accordingly, the Company no longer meets the meets the Free Float Requirement prescribed by Rule 723 of the Catalist Rules. |

*Source: Company announcements from SGXNET.*

We have tabulated below selected statistical information on the share price performance and trading liquidity of the Shares from the 12-month period prior to the Offer Announcement Date up to the Latest Practicable Date:

| | Highest Price S$[(1)] | Lowest Price S$[(2)] | VWAP S$[(3)] | Premium of Final Offer Price over VWAP % | Average daily trading volume '000[(4)] | Average daily trading volume as a percentage of free float %[(5)] |
|---|---|---|---|---|---|---|
| **Prior to the Offer Announcement Date** | | | | | | |
| Last 12 months | 0.695 | 0.390 | 0.585 | 45.3 | 56 | 0.06 |
| Last 6 months | 0.695 | 0.390 | 0.568 | 49.6 | 77 | 0.09 |
| Last 3 months | 0.695 | 0.390 | 0.590 | 44.1 | 122 | 0.14 |
| Last 1 month | 0.655 | 0.570 | 0.616 | 38.0 | 55 | 0.06 |
| Last Trading Day[(6)] | 0.635 | 0.635 | 0.642 | 32.4 | 75 | 0.08 |
| **After the Offer Announcement Date to 1 July 2016** | | | | | | |
| After 21 April 2016 up to 1 July 2016 | 0.780 | 0.740 | 0.750 | 13.3 | 562 | 0.64 |
| 1 July 2016[(7)] | 0.780 | 0.780 | 0.771 | 10.2 | 609 | 0.69 |
| **After the Offer Price Revision Announcement Date to the Latest Practicable Date** | | | | | | |
| After 3 July 2016 up to the Latest Practicable Date | 0.850 | 0.850 | 0.850 | 0.0 | 1,000 | 1.14 |
| The Latest Practicable Date | 0.850 | 0.850 | 0.850 | 0.0 | 315 | 0.36 |

*Source: Bloomberg Finance L.P.*

**Notes:**

(1) The highest price refers to the highest daily closing price during the relevant period.

(2) The lowest price refers to the lowest daily closing price during the relevant period.

(3) The volume weighted average price ("**VWAP**") of the Shares over the relevant period.

(4) The average daily trading volume of the Shares is computed based on the total volume of Shares traded during the relevant period, divided by the number of days on which the SGX-ST is open for the trading of securities during the relevant period.

(5) Free float refers to the Shares other than those directly and deemed held by the Directors and the substantial shareholders of the Company as at the date of the Circular. For the purpose of computing the average daily trading volume as a percentage of free float for the various periods, we have calculated the free float to be approximately 87.9 million Shares, being the Shares not held by Directors and substantial shareholders, representing approximately 22.8% of the 385,365,703 total issued Shares.

(6) 20 April 2016, being the last full trading day prior to the Offer Announcement Date ("**Last Trading Day**").

(7) 1 July 2016 is the last full trading day prior to the Offer Price Revision Announcement Date.

Based on the above table, we note that:

(i) the Final Offer Price is higher than the closing prices of the Shares which ranged between S$0.390 and S$0.780 in the 12 months prior to the Offer Announcement Date and up to the Offer Price Revision Announcement Date;

(ii) the VWAP of the Shares dipped from S$0.585 in the 12-month period prior to the Offer Announcement Date to S$0.568 in the 6-month period prior to the Offer Announcement Date before subsequently rising to S$0.616 in the 1-month period prior to the Offer Announcement Date;

(iii) the Final Offer Price represents a premium of approximately 32.4%, 38.0%, 44.1%, 49.6% and 45.3% to the VWAP of the Shares on the Last Trading Day and the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to the Offer Announcement Date respectively;

(iv) the Final Offer Price represents a premium of approximately 33.9% to the last transacted price of the Shares on the Last Trading Day;

(v) following the Offer Announcement Date, the VWAP for the period after the Offer Announcement Date up to 1 July 2016 increased to S$0.750. The Final Offer Price is at a 13.3% premium to the VWAP of S$0.750 for this period;

(vi) the Final Offer Price is at a 9.0% premium to the highest closing price of the Shares of S$0.780 for the period after the Offer Announcement Date up till 1 July 2016;

(vii) the Shares have not closed above the Final Offer Price for the 12 months prior to the Offer Announcement Date up till the Offer Price Revision Announcement Date;

(viii) following the revision in the offer price, the VWAP for the period after the Offer Price Revision Announcement Date up till the Latest Practicable Date further increased to S$0.850;

(ix) the Shares have closed daily at the Final Offer Price for the period after the Offer Price Revision Announcement Date up till the Latest Practicable Date;

(x) the Final Offer Price is equal to the last transacted price of S$0.85 per Share on the Latest Practicable Date;

(xi) in the 12 months leading up till the Offer Announcement Date, the Shares were traded on 178 days out of a possible 249 market days, or 71.5% of the market days during the corresponding period;

(xii) the average daily trading volume of the Shares for the 1-month, 3-month, 6-month and 12-month period prior to the Offer Announcement Date was low, representing only 0.06%, 0.14%, 0.09% and 0.06% of the free float respectively; and

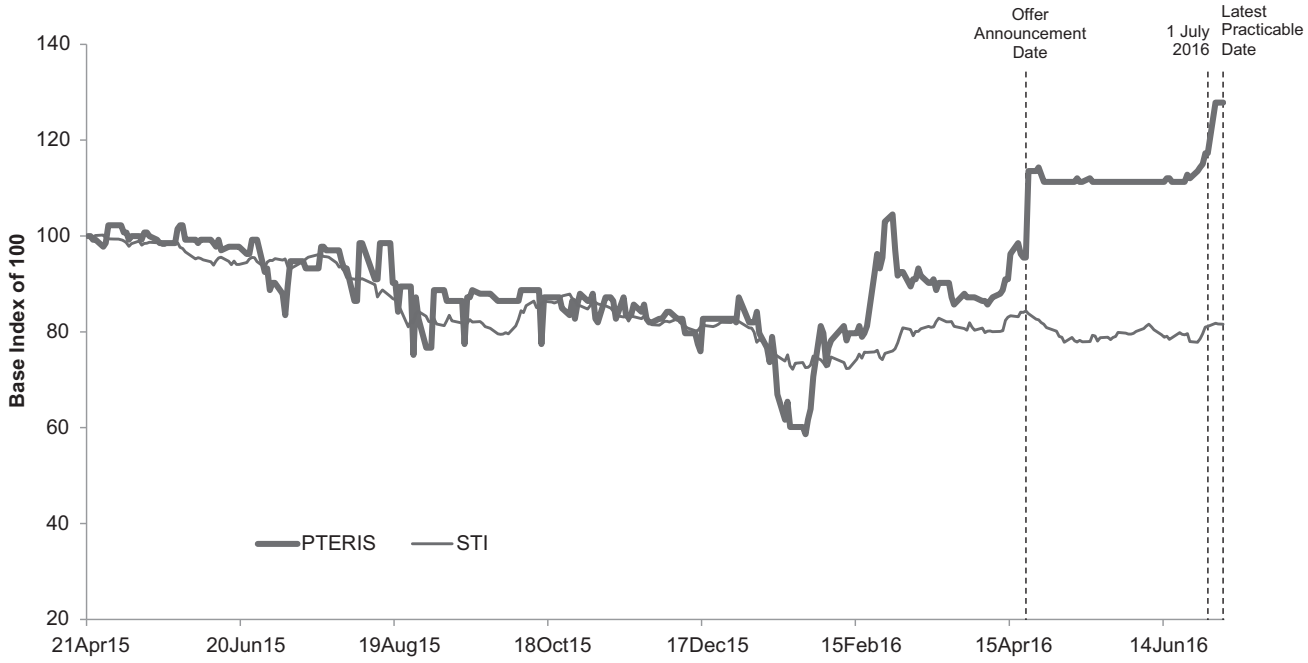
(xiii) the average daily trading volume of the Shares for the period after the Offer Announcement Date up till 1 July 2016 increased to 0.64% of the free float on the back of the Offer, and further increased to 1.14% of the free float for the period after the Offer Price Revision Announcement Date up till the Latest Practicable Date.

The Offer is an opportunity for the Shareholders to realise their investment in the Company given the historical share price performance and low trading liquidity of the Shares.

### 5.1.2 Relative Performance of the Shares

In addition, to assess the relative performance of the Shares versus the Singapore equity market, we have compared the price movements of the Shares against that of the FTSE Straits Times Index (the "**FSSTI**"), which is a market capitalisation weighted index based on stocks of 30 representative companies listed on the Mainboard of the SGX-ST.

The chart below sets out the market price performance of the Shares and the FSSTI for the 12 months prior to the Offer Announcement Date up to the Latest Practicable Date:




*Source: Bloomberg Finance L.P.*

**Note:**

(1) All share prices and FSSTI values have been rebased to 100 as at 21 April 2015 for comparison purposes.

| | The Shares | FSSTI |
|---|---|---|
| Rebased Index as at 21 April 2015 | 100 | 100 |
| Rebased Index as at Offer Announcement Date | 95.5 | 84.4 |
| Change from 21 April 2015 (%) | (4.5) | (15.6) |
| Rebased Index as at 1 July 2016, being the last full trading day prior to the Offer Price Revision Announcement Date | 117.3 | 81.1 |
| Change from Offer Announcement Date (%) | 22.8 | (3.9) |
| Rebased Index as at Latest Practicable Date | 127.8 | 81.6 |
| Change from 21 April 2015 (%) | 27.8 | (18.4) |
| Change from 1 July 2016 (%) | 9.0 | 0.6 |

Based on the above, we note the following:

(a) the Shares have outperformed the FSSTI for the 1-year period up to the Offer Announcement Date. The market prices of the Shares declined only by 4.5% as compared to the 15.6% decline in the FSSTI over the said period;

(b) for the period from the Offer Announcement Date up till 1 July 2016, as a result of the Offer, the market prices of the Shares increased by 22.8%, as compared to the 3.9% decline in the FSSTI;

(c) for the period from 1 July 2016 up till the Latest Practicable Date, the market prices of the Shares further increased by 9.0% due to the revision in the offer price as compared to the 0.6% increase in the FSSTI; and

(d) for the period commencing from the 1-year prior to the Offer Announcement Date up till the Latest Practicable Date, the market prices of the Shares increased by 27.8% as compared to the 18.4% decline in the closing value of the FSSTI.

Shareholders should, however, note that the historical trading performance of the Shares is not indicative of future price levels, which may be affected by factors beyond the scope of our evaluation.

## 5.2 THE VALUATION REPORTS

As mentioned in paragraph 2 of this Supplemental IFA Letter, the Company has commissioned the Valuer to value the properties held by the Group and the Valuer has undertaken different approaches to determine the value of the properties. We provide brief highlights of the Valuation Reports below:

| Property | Valuation methodology | Tenure | Valuation (millions) |
|---|---|---|---|
| Shenzhen CIMC-Tianda Airport Support Factory | Market approach and cost approach | Remaining term of approximately 44 years expiring on 30 December 2059 | RMB876.0 |

| Property | Valuation methodology | Tenure | Valuation (millions) |
|---|---|---|---|
| Shenzhen Shekou CIMC Industrial Property(1) | Income approach | Remaining term of approximately 9.6 years expiring on 30 November 2025 | RMB24.5 |
| Langfang CIMC Airport Support Factory | Market approach and cost approach | Remaining term of approximately 49 years expiring on 15 April 2065 | RMB120.0 |
| Kunshan CIMC Industrial Property | Market approach and cost approach | Remaining term of approximately 49 years expiring on 14 February 2065 | RMB149.0 |
| 28 Quality Road | Market approach and income approach | 30 years lease commencing 1 June 2007 with an option for a further term of 30 years | S$58.0 |

**Note:**

(1) The Shenzhen Shekou CIMC Industrial Property is currently leased from 招商局蛇口工业区有限公司 (China Merchants Shekou Industrial Zone Co., Ltd).

The Valuation Certificates can be found in Appendix V of the Circular and the full Valuation Reports are available for inspection at the registered office of the Company.

## 5.3 THE NET ASSET VALUE AND REVALUED NET ASSET VALUE OF THE GROUP

We set out below the key information from the statement of financial position of the Group as at 31 December 2015 and 31 March 2016.

| S$'millions | Audited 31-Dec-15 | Unaudited 31-Mar-16 |
|---|---|---|
| Current assets | 300.1 | 287.5 |
| Current liabilities | (246.7) | (232.9) |
| **Net current assets** | **53.5** | **54.6** |
| Non-current assets | 206.2 | 204.4 |
| Non-current liabilities | (13.7) | (16.5) |
| **Net assets** | **246.0** | **242.5** |
| Less: Non-controlling interest ("**NCI**") | (39.3) | (38.8) |
| **Net assets attributable to Shareholders** | **206.7** | **203.7** |

**Note:**

(1) Totals may not add up due to rounding.

### 5.3.1 Composition of Assets and Liabilities

*31 December 2015*

As at 31 December 2015, the Group had total assets of S$506.3 million, mainly comprising trade and other receivables of S$198.0 million, property, plant and equipment of S$109.1 million, investment properties of S$40.7 million, intangible assets (primarily goodwill arising on consolidation, operating rights for automated parking system and software) of S$35.8 million, cash and cash equivalents of S$33.6 million, contract work-in-progress of S$17.4 million and land use rights of S$15.3 million.

Total liabilities as at 31 December 2015 was S$260.4 million, mainly comprising trade and other payables of S$198.9 million, current borrowings of S$20.0 million, provisions (mainly relating to product warranties) of S$17.3 million, deferred income of S$9.5 million and excess of progress billing over contract work-in-progress of S$5.6 million.

*31 March 2016*

As at 31 March 2016, the Group had total assets of S$491.9 million, mainly comprising trade and other receivables of S$174.7 million, property, plant and equipment of S$109.8 million, investment properties of S$40.0 million, inventories of S$62.0 million, intangible assets of S$35.2 million, cash and cash equivalents of S$33.5 million, contract work-in-progress of S$13.8 million and land use rights of S$14.7 million.

Total liabilities as at 31 March 2016 was S$249.4 million, mainly comprising trade and other payables of S$188.7 million, current borrowings of S$18.3 million, provisions of S$16.8 million, deferred income of S$10.0 million and excess of progress billing over contract work-in-progress of S$7.0 million.

### 5.3.2 Trade Receivables and Inventories

As at 31 March 2016, the Group had trade and other receivables of S$174.7 million and inventories of S$62.0 million which represented 35.5% and 12.6% of the total assets of the Group as at 31 March 2016. We calculated the turnover days of the trade receivables and inventories for the last two financial years ended 31 December 2014 ("**FY2014**") and 31 December 2015 ("**FY2015**") to be as follows:

| | FY2014 | FY2015 |
|---|---|---|
| Average trade receivables turnover (days) | 199 | 182 |
| Average inventory turnover (days) | 124 | 79 |

The Group's average trade receivables turnover days and average inventory turnover days have improved in FY2015 as compared to FY2014.

The Company has confirmed that in their opinion, as at the Latest Practicable Date, no further material provisions for trade receivables or inventory obsolescence is required.

### 5.3.3 The NAV per Share

| NAV per Share[(1)] | |
|---|---|
| NAV of the Group as at 31 March 2016 | S$242,481,000 |
| Total number of issued Shares as at the Latest Practicable Date[(2)] | 385,365,703 |
| NAV per Share as at 31 March 2016 | S$0.629 |

| NAV (excluding NCI) per Share | |
|---|---|
| NAV attributable to Shareholders as at 31 March 2016 | S$203,653,000 |
| Total number of issued Shares as at the Latest Practicable Date[(2)] | 385,365,703 |
| NAV (excluding NCI) per Share as at 31 March 2016 | S$0.528 |

**Notes:**

(1) We have included the NAV per Share for ease of comparison with the results announcements of the Company. For the purposes of our analysis, we will be focusing on the NAV (excluding NCI) as this is a better reflection of the net assets that are directly attributable to the Shareholders of the Company. The aforesaid explanation similarly applies to our subsequent analysis of the net tangible assets ("**NTA**"), revalued NAV ("**RNAV**") and revalued NTA ("**RNTA**") of the Group.

(2) The total number of issued Shares as at 31 March 2016 was 322,947,152. On 14 April 2016, 62,418,551 deferred Shares were allotted and issued to Sharp Vision Holdings Limited and SZ TGM in connection with the acquisition of 100% of the equity interests in Shenzhen CIMC-Tianda Airport Support Ltd from China International Marine Containers (Hong Kong) Ltd and SZ TGM.

Based on the unaudited NAV of the Group of S$242.5 million as at 31 March 2016 and the issued share capital of 385,365,703 Shares as at the Latest Practicable Date, the NAV per Share was S$0.629.

Based on the unaudited NAV of the Group (excluding NCI) of S$203.7 million as at 31 March 2016 and the issued share capital of 385,365,703 Shares as at the Latest Practicable Date, the NAV (excluding NCI) per Share was S$0.528.

### 5.3.4 The Revalued Net Asset Value of the Group

We have discussed with management the following factors which may materially impact the NAV of the Group as at 31 March 2016:

#### (a) Valuation Reports

We note that the market value of the properties held by the Group as at 30 April 2016, as opined by the Valuer, is higher than the net book value of the properties as at 30 March 2016. This will result in a revaluation surplus which will impact our assessment of the RNAV of the Group.

We set out below the market values of the properties held by the Group and the gross revaluation surplus both before and after deducting any potential tax liabilities arising from the revaluation of the properties:

| Property | Net book value as at 31 March 2016 (S$'m) | Market Value as at 30 April 2016 (S$'m) | Revaluation surplus before potential tax liabilities[2] (S$'m) | Revaluation surplus after potential tax liabilities[3] (S$'m) | Percentage attributable to the Group (S$'m) | Share of revaluation surplus after potential tax liabilities attributable to the Group (S$'m) |
|---|---|---|---|---|---|---|
| Shenzhen CIMC-Tianda Airport Support Factory | 52.9 | 182.6 | 129.7 | 110.2 | 70.0% | 77.2 |
| Shenzhen Shekou CIMC Industrial Property | 1.4 | 5.1 | 3.7 | 3.1 | 70.0% | 2.2 |
| Langfang CIMC Airport Support Factory | 18.6 | 25.0 | 6.5 | 4.8 | 70.0% | 3.4 |
| Kunshan CIMC Industrial Property | 13.6 | 31.1 | 17.4 | 13.1 | 70.0% | 9.1 |
| 28 Quality Road | 54.7 | 58.0 | 3.3 | 3.3 | 100.0% | 3.3 |
| **Total** | **141.3** | **301.8** | **160.5** | **134.6** | | **95.2** |

**Notes:**

(1) Totals may not add up due to rounding. Based on an exchange rate of S$1:RMB4.797 as at 31 March 2016. RMB refers to the Renminbi;

(2) Calculated based on the difference between the market value of the respective properties as at 30 April 2016 as opined by the Valuer and the net book value of the respective properties as at 31 March 2016; and

(3) Potential tax liabilities arising from hypothetical sale of properties as advised by the Company.

The Valuation Certificates can be found in Appendix V of the Circular and the full Valuation Reports are available for inspection at the registered office of the Company.

**(b) Sale of assets held for sale and unquoted equity security**

As at 31 March 2016, the Group had assets held for sale of S$3.34 million comprising three (3) properties in Malaysia. We understand that the Company had entered into a sale and purchase agreement for the sale of these three properties which is expected to result in a net gain (after potential tax liabilities) of approximately S$3.5 million upon completion.

We also understand from the Company that it has sold its unquoted equity security which resulted in a net gain of S$1.14 million.

**(c) Dividend for FY2015**

For FY2015, the Company declared a final tax exempt (one-tier) dividend of 1.0 Singapore cents per share, amounting to a total of S$3.9 million, which was paid on 11 May 2016. The Group's financial statements as at 31 March 2016 did not reflect the payment of the FY2015 Dividend.

**(d) RNAV**

Save for the above mentioned factors, the Directors have confirmed to us that, to the best of their knowledge and belief, there were no material contingent liabilities, unrecorded assets and liabilities, unrecorded earnings, expenses or provisions as at the Latest Practicable Date which could have a material impact on the NAV of the Group as at 31 March 2016.

For the purpose of our assessment of the Final Offer Price, we set out below the computation of the Group's RNAV as at 31 March 2016.

| **RNAV per Share** | |
|---|---|
| NAV of the Group as at 31 March 2016 (S$'million) | 242.5 |
| add: Gross revaluation surplus arising from revalued properties less potential tax liabilities (S$'million) | 134.6 |
| add: Gain from sale of assets held for sale and unquoted equity security (S$'million) | 4.6 |
| less: Payment of FY2015 Dividend (S$'million) | (3.9) |
| RNAV as at 31 March 2016 (S$'million) | 377.8 |
| RNAV per Share as at 31 March 2016 (S$) | 0.980 |

| RNAV (excluding NCI) per Share | |
|---|---|
| NAV attributable to Shareholders as at 31 March 2016 (S$'million) | 203.7 |
| add: Share of revaluation surplus arising from revalued properties after potential tax liabilities attributable to the Group (S$'million) | 95.2 |
| add: Gain from sale of assets held for sale and unquoted equity security (S$'million) | 4.6 |
| less: Payment of FY2015 Dividend (S$'million) | (3.9) |
| **RNAV (excluding NCI) as at 31 March 2016 (S$'million)** | **299.6** |
| **RNAV (excluding NCI) per Share as at 31 March 2016 (S$)** | **0.777** |
| **Premium of Final Offer Price to RNAV (excluding NCI) per Share as at 31 March 2016** | **9.4%** |

Shareholders should note that the above analysis assumes the hypothetical sale of the assets (including the revalued properties) of the Group as at the Latest Practicable Date. The Directors have confirmed to us that the Group does not have current plans for an imminent material disposal and/or conversion of the use of the Group's properties and/or material change in the nature of the Group's business as at the Latest Practicable Date.

We note from the Offer Document that the Offeror has no current intention to make major changes to (a) the business of the Company; (b) the deployment of the fixed assets of the Company; or (c) the employment of the employees of the Group.

Based on the above, we note that the Final Offer Price represents a premium of 9.4% (or S$0.073) to the RNAV (excluding NCI) per Share of S$0.777 as at 31 March 2016.

### 5.3.5 The NTA per Share

| NTA per Share | |
|---|---|
| NAV of the Group as at 31 March 2016 | S$242,481,000 |
| less: Intangibles[(1)] | (S$35,157,000) |
| NTA of the Group as at 31 March 2016 | S$207,324,000 |
| Total number of issued Shares as at the Latest Practicable Date[(2)] | 385,365,703 |
| NTA per Share as at 31 March 2016 | S$0.538 |
| **NTA (excluding NCI) per Share** | |
| NAV attributable to Shareholders as at 31 March 2016 | S$203,653,000 |
| less: Intangibles[(1)] | (S$35,157,000) |
| NTA (excluding NCI) of the Group as at 31 March 2016 | S$168,496,000 |
| Total number of issued Shares as at the Latest Practicable Date[(2)] | 385,365,703 |
| NTA (excluding NCI) per Share as at 31 March 2016 | S$0.437 |

**Notes:**

(1) Based on the classification of intangible assets adopted by the Company in its FY2015 annual report. Intangibles refer to goodwill arising from consolidation, software and operating rights for automated parking systems.

(2) The total number of issued Shares as at 31 March 2016 was 322,947,152. On 14 April 2016, 62,418,551 deferred Shares were allotted and issued to Sharp Vision Holdings Limited and SZ TGM in connection with the acquisition of 100% of the equity interests in Shenzhen CIMC-Tianda Airport Support Ltd from China International Marine Containers (Hong Kong) Ltd and SZ TGM.

Based on the unaudited NAV of the Group of S$242.5 million and intangible assets of S$35.2 million as at 31 March 2016 and the issued share capital of 385,365,703 Shares as at the Latest Practicable Date, the NTA per Share was S$0.538.

Based on the unaudited NAV of the Group (excluding NCI) of S$203.7 million and intangible assets of S$35.2 million as at 31 March 2016 and the issued share capital of 385,365,703 Shares as at the Latest Practicable Date, the NTA per Share was S$0.437.

### 5.3.6 The Final Offer Price versus the RNTA per Share

| **RNTA per Share** | |
|---|---|
| RNAV as at 31 March 2016 (S$'million) | 377.8 |
| less: Intangibles (S$'million) | (35.2) |
| RNTA as at 31 March 2016 (S$'million) | 342.7 |
| RNTA per Share as at 31 March 2016 (S$) | 0.889 |
| **RNTA (excluding NCI) per Share** | |
| RNAV (excluding NCI) as at 31 March 2016 (S$'million) | 299.6 |
| less: Intangibles (S$'million) | (35.2) |
| RNTA (excluding NCI) as at 31 March 2016 (S$'million) | 264.5 |
| RNTA (excluding NCI) per Share as at 31 March 2016 (S$) | 0.686 |
| Premium of Final Offer Price to RNTA (excluding NCI) per Share as at 31 March 2016 | 23.9% |

**Note:**

(1) Total may not add up due to rounding.

Based on the RNAV of the Group of S$377.8 million and intangible assets of S$35.2 million as at 31 March 2016 and the issued share capital of 385,365,703 Shares as at the Latest Practicable Date, the RNTA per Share was S$0.889.

Based on the RNAV of the Group (excluding NCI) of S$299.6 million and intangible assets of S$35.2 million as at 31 March 2016 and the issued share capital of 385,365,703 Shares as at

the Latest Practicable Date, the RNTA (excluding NCI) per Share was S$0.686. The Final Offer Price represents a premium of 23.9% (or S$0.164) to the RNTA (excluding NCI) per Share of S$0.686 as at 31 March 2016.

## 5.4 THE VALUATION OF THE GROUP IMPLIED BY THE FINAL OFFER PRICE VERSUS THE VALUATION OF COMPANIES COMPARABLE TO THE GROUP

The Group are suppliers of passenger boarding bridges and integrated solutions providers of airport facility equipment including logistics systems (Baggage Handling and Materials Handling), and ground support equipment. In addition, the Group also manufactures and supplies Materials Handling Systems and Automated Parking Systems for other commercial sectors. Comparison is therefore made to listed companies whose businesses are broadly comparable to the Group ("**Comparable Companies**") to assess the Final Offer Price in relation to the valuation of the Comparable Companies as implied by their last traded prices as at the Latest Practicable Date.

We had discussions with management about the suitability and reasonableness of the Comparable Companies. We wish to highlight that the Comparable Companies are not exhaustive and it should be noted that there may not be any listed company that is directly comparable to the Group in terms of location, business activities, customer base, size of operations, asset base, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria.

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.

A brief description of the Comparable Companies is set out below:

| Names | Listing Location | Brief Business Description | Market Capitalisation as at the Latest Practicable Date [(1)] [(2)] (S$ million) |
|---|---|---|---|
| Weihai Guangtai Airport Equipment Co Ltd ("**Weihai Guangtai**") | PRC | Weihai Guangtai manufactures and markets ground equipment for airports. | 1,964 |
| Daifuku Co Ltd ("**Daifuku**") | Japan | Daifuku designs, manufactures, and sells material handling equipment such as automated storage systems, conveyors, and automatic sorters. Daifuku's products are used for automation in manufacturing and distribution businesses. | 3,041 |

| Names | Listing Location | Brief Business Description | Market Capitalisation as at the Latest Practicable Date [1] [2] (S$ million) |
|---|---|---|---|
| Kardex AG ("**Kardex**") | Switzerland | Kardex provides products and services in the logistics of dynamic storage and retrieval systems, static storage systems and automated warehouse and materials handling systems. Kardex offers its products and services in Euro countries, other European countries, the Americas, Asia, and the Pacific Rim. | 910 |
| Interroll Holding AG ("**Interroll**") | Switzerland | Interroll, through its subsidiaries, produces components and systems for the storage and distribution of goods. Interroll's products include conveyor rollers, bulk storage, dynamic storage, and automation equipment. Interroll's products provide solutions for storage, distribution, and commissioning of goods. | 1,060 |
| John Bean Technologies Corp ("**John Bean**") | United States | John Bean is a technology solutions provider to the food processing and air transportation industries. John Bean designs, manufactures, tests and services systems and products for global industrial food processing customers through its FoodTech segment and for domestic and international air transportation customers through its AeroTech segment. | 2,400 |
| Shinmaywa Industries Ltd ("**Shinmaywa**") | Japan | Shinmaywa manufactures special duty vehicles such as dump trucks and cranes. Shinmaywa also produces aircraft parts, industrial machinery, sky-parking systems, and environmental systems such as underwater kitchen refuse decomposers. | 804 |
| Hyundai Elevator Co Ltd ("**Hyundai Elevator**") | Korea | Hyundai Elevator manufactures, installs, sells, and services elevators, escalators, moving walkways, automated parking systems, and material handling systems. Hyundai Elevator also produces screen doors used on platforms in train stations. | 1,764 |

*Source: Bloomberg Finance L.P., annual reports, announcements and websites of respective companies*

**Notes:**

(1) Market capitalisation of the Comparable Companies are based on their respective closing prices as at the Latest Practicable Date.

(2) Based on the closing exchange rate of S$1:RMB4.9517, S$1:JPY74.64, S$1:CHF0.7251, S$1:USD0.7414 and S$1:KRW856.00, as at the Latest Practicable Date. JPY, CHF, USD and KRW refers to the Japanese Yen, the Swiss Franc, the United States Dollar and the Korean Won respectively.

For the comparison with the Comparable Companies, we have referred to various valuation ratios to provide an indication of the market expectations with regard to the valuation of these companies. In this respect, we have considered the following widely used ratios:

| Valuation Ratio | General Description |
|---|---|
| **EV/EBITDA** | "EV" or "Enterprise Value" is defined as the sum of a company's market capitalisation, preferred equity, minority interests, short term and long term debts less its cash and cash equivalents. "EBITDA" stands for earnings before interest, tax, depreciation and amortisation but after share of associates' and joint ventures' income but excluding exceptional items.<br><br>The "EV/EBITDA" multiple is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance. |
| Price-to-Earnings ("**P/E**") | The 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. |
| Price-to-Net Asset Value ("**P/NAV**") | P/NAV ratio illustrates the ratio of the market price of a company's share relative to its asset backing as measured in terms of its historical consolidated NAV per share as stated in its financial statements. The NAV figure provides an estimate of the value of a company assuming the sale of all its tangible and intangible 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 book NAVs are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies. |

| Valuation Ratio | General Description |
|---|---|
| Price-to-Net Tangible Asset ("**P/NTA**") | P/NTA ratio illustrates the ratio of the market price of a company's share relative to its historical net tangible assets ("**NTA**") per share as recorded in its financial statements. The NTA figure provides an estimate of the value of a company assuming the 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 depreciation and asset valuation policies. |

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

| | Net Profit / (Loss)[1] (S$'m) | EV / EBITDA[2] (times) | P/E[3] (times) | P/NAV[4] (times) | P/NTA[4] (times) |
|---|---|---|---|---|---|
| Weihai Guangtai | 39.8 | 34.5 | 53.2 | 4.8 | 6.5 |
| Daifuku | 157.7 | 8.4 | 16.6 | 1.8 | 2.1 |
| Kardex | 43.3 | 12.0 | 21.4 | 4.7 | 4.8 |
| Interroll | 41.9 | 12.7 | 26.2 | 3.7 | 4.7 |
| John Bean | 73.5 | 17.5 | 33.6 | 12.9 | n.m.[5] |
| Shinmaywa | 118.8 | 2.3 | 5.8 | 0.5 | 0.5 |
| Hyundai Elevator | (71.6) | 8.7 | n.m.[5] | 2.5 | 3.4 |
| Maximum | | 34.5 | 53.2 | 12.9 | 6.5 |
| Minimum | | 2.3 | 5.8 | 0.5 | 0.5 |
| Mean | | 13.7 | 26.2 | 4.4 | 3.7 |
| Median | | 12.0 | 23.8 | 3.7 | 4.0 |
| **The Group[6] (Based on Final Offer Price)** | 13.5 | 10.7 | 24.3 | 1.6 | 1.9 |
| | | | | **P/RNAV** | **P/RNTA** |
| **The Group[7]** | | | | 1.1 | 1.2 |

| | Net Profit / (Loss)[1] (S$'m) | EV / EBITDA[2] (times) | P/E[3] (times) | P/NAV[4] (times) | P/NTA[4] (times) |
|---|---|---|---|---|---|
| **(Based on Final Offer Price, RNAV (excluding NCI) and RNTA (excluding NCI))** | | | | | |

*Source: Bloomberg Finance L.P., annual reports and/or announcements of the respective companies, and other publicly available information.*

**Notes:**

(1) The net profit / loss attributable to shareholders in the most recent last twelve months ("**LTM**") compiled from the respective companies' financial results. Net profit / loss figures are based upon the average exchange rates prevailing during the corresponding LTM period for each respective company.

(2) The EBITDA figures of the Comparable Companies are based upon the LTM information compiled from the respective companies' financial results. EV of the companies are based on their respective market capitalisations as at the Latest Practicable Date.

(3) The P/E ratios of the Comparable Companies are based on (i) their respective closing prices as at the Latest Practicable Date; and (ii) the net profits attributable to shareholders in the LTM compiled from the respective companies' financial results.

(4) The P/NAV and P/NTA ratios of the Comparable Companies are based on (i) their respective closing prices as at the Latest Practicable Date; and (ii) the most recent NAV and NTA attributable to shareholders as announced by the respective companies.

(5) Not meaningful as John Bean was in a net tangible liabilities position and Hyundai Elevator was loss making in the LTM.

(6) Based on the Final Offer Price of S$0.85 and the Group's LTM financials.

(7) Based on the Final Offer Price of S$0.85, RNAV (excluding NCI) per Share of S$0.777 and RNTA (excluding NCI) per Share of S$0.686 as at 31 March 2016. Please refer to paragraphs 5.3.4 and 5.3.6 of this Supplemental IFA Letter for further information on the RNAV and RNTA.

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

(a) the EV/EBITDA ratio of the Group, as implied by the Final Offer Price, is within the range, and below the mean and the median EV/EBITDA ratios of the Comparable Companies;

(b) the P/E ratio of the Group, as implied by the Final Offer Price, is within the range, below the mean and above the median P/E ratios of the Comparable Companies;

(c) the P/NAV and P/NTA ratios of the Group, as implied by the Final Offer Price, are within the range, and below the mean and the median P/NAV and P/NTA ratios of the Comparable Companies respectively; and

(d) the P/RNAV and P/RNTA ratios of the Group, as implied by the Final Offer Price, the RNAV (excluding NCI) and the RNTA (excluding NCI), are within the range, and below the mean and the median P/NAV and P/NTA ratios of the Comparable Companies.

## 5.5 COMPARISON WITH THE REVERSE TAKEOVER OF THE COMPANY BY SHENZHEN CIMC-TIANDA AIRPORT SUPPORT LTD.

The Company announced the completion of the reverse takeover of the Company by Shenzhen CIMC-Tianda Airport Support Ltd. ("**Tianda**") (the "**RTO**") on 19 August 2014 ("**RTO Completion Date**").

As set out in the Company's circular in relation to the RTO dated 24 June 2014 (the "**RTO Circular**"), the consideration for the acquisition of Tianda shall be between S$102,500,000 ("**RTO Minimum Consideration**") and S$151,152,000 ("**RTO Maximum Consideration**"), to be satisfied by the issue and allotment of new ordinary shares in the capital of the Company ("**RTO Consideration Shares**") to the vendors of Tianda at an issue price of S$0.13 or an issue price of S$0.65 ("**RTO Issue Price**") for each RTO Consideration Share after the share consolidation of five existing shares to one consolidated share in the Company.

Based on the Company's announcements between the RTO Completion Date and the Offer Announcement Date, the last tranche of RTO Consideration Shares was issued to Sharp Vision Holdings Limited and SZ TGM on 14 April 2016.

### 5.5.1 The Valuation of Tianda in the RTO as compared to the Valuation of the Group in this Offer

Based on the Company's annual report for FY2015, Tianda's passenger boarding bridge and automated parking system business was the main contributor of the Group's profit before income tax, contributing a profit before income tax of S$20.7 million or 94.7% of the Group's profit before income tax for FY2015.

Further, given that the last tranche of RTO Consideration Shares was only issued on 14 April 2016, we compare the valuation of Tianda in the RTO (based on the RTO Maximum Consideration) with the valuation of the Group as implied by the Offer as follows:

| | **Valuation of Tianda in the RTO (1)** | **Valuation of the Group in the Offer (2)** |
|---|---|---|
| P/E ratio | 10.8 times | 24.3 times |
| P/E ratio as compared to the listed comparable companies | Within the range but lower than the mean (24.0 times) and median (21.3 times) | Within the range, lower than the mean (26.2 times) and above the median (23.8 times) |
| EV/EBITDA ratio | 8.9 times | 10.7 times |
| EV/EBITDA ratio as compared to the listed comparable companies | Within the range but lower than the mean (13.8 times) and median (9.7 times) | Within the range but lower than the mean (13.7 times) and median (12.0 times) |
| P/NAV ratio | 2.0 times | 1.6 times |
| P/NAV ratio as compared to the listed comparable companies | Within the range but lower than the mean (2.7 times) and median (2.8 times) | Within the range but lower than the mean (4.4 times) and median (3.7 times) |

| | Valuation of Tianda in the RTO (1) | Valuation of the Group in the Offer (2) |
|---|---|---|
| P/NTA ratio | 2.1 times | 1.9 times |
| P/NTA ratio as compared to the listed comparable companies | Within the range but lower than the mean (3.0 times) and median (3.4 times) | Within the range but lower than the mean (3.7 times) and median (4.0 times) |

**Notes:**

(1) As extracted from Appendix A of the RTO Circular. We note that the valuation ratios for the RTO were calculated based on the then latest full year financial statements of Tianda Group and its comparable companies.

(2) Based on the most recent last twelve months financial statements of the Group and its Comparable Companies as set out in paragraph 5.4 of this Supplemental IFA Letter.

As set out in the table above:

(a) the P/E ratio of Tianda in the RTO is within the range but below the mean and median of its comparable companies, whilst the P/E ratio of the Group in the Offer, is within the range, below the mean and above the median of its comparable companies;

(b) the EV/EBITDA, P/NAV and P/NTA ratios of Tianda in the RTO and the EV/EBITDA, P/NAV and P/NTA ratios of the Group in the Offer, are all within the range but below the mean and median of its comparable companies;

(c) while the P/NAV ratio and the P/NTA ratio of the Group in the Offer are lower than the P/NAV ratio and the P/NTA ratio of Tianda in the RTO, the P/E ratio of the Group in the Offer is significantly higher compared to the P/E ratio of Tianda in the RTO; and

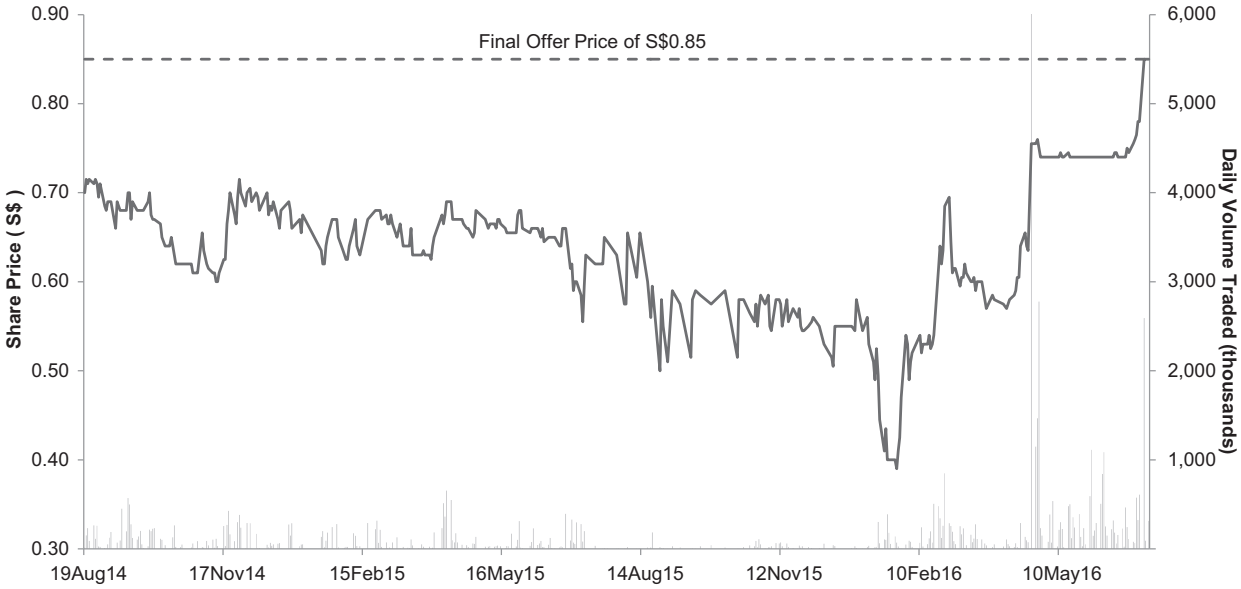
(d) the EV/EBITDA ratio of the Group in the Offer is also higher than the EV/EBITDA ratio of Tianda in the RTO.

We also note that the Company had commissioned Jones Lang LaSalle Corporate Appraisal and Advisory Limited to undertake an independent valuation of Tianda and its subsidiaries (the "**Tianda Group**") for purposes of the RTO. Based on the valuation report from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the valuation of the Tianda Group as at 31 December 2013 was approximately S$197.6 million ("**Tianda Group Valuation**"). The RTO Maximum Consideration of S$151.2 million was at a discount of 23.5% to the Tianda Group Valuation.

### 5.5.2 Comparison of the Company's Share Price after the RTO

As mentioned above, the RTO Issue Price is S$0.65 for each RTO Consideration Share.

We set out below the historical price chart (based on closing prices and the number of Shares traded on a daily basis) for the Shares during the period commencing from 19 August 2014 (being the RTO Completion Date) up to the Latest Practicable Date:




As set out above, the Shares have not traded above the Final Offer Price from the RTO Completion Date to the Offer Price Revision Announcement Date.

We also note that the Final Offer Price of S$0.85 represents a premium of 30.8% to the RTO Issue Price of S$0.65.

### 5.5.3 Implied Valuation of the Group post-RTO

Based on the Tianda Group Valuation, the RTO Issue Price and the 109,697,651 Shares in the capital of the Company prior to the issuance of the RTO Consideration Shares, the implied valuation of the Group (immediately post-RTO) would be approximately S$268.9 million ("**Implied RTO Valuation**"). The valuation of the Group, as implied by the Final Offer Price and the share capital of the Company as at the Latest Practicable Date, is at a 21.8% premium to the Implied RTO Valuation.

### 5.5.4 Post-RTO disposal of 30% of Tianda

Following the completion of the RTO, Tianda became an unlisted subsidiary of the Company. On 7 July 2015, the Company announced the completion of the disposal of a non-controlling 30% equity interest in Tianda to a third party at a consideration of US$40.3 million (equivalent to S$54.4 million).

Based on the Company's announcement dated 5 March 2015, the disposal served to strengthen the Company's financial position and enhance the cash position of the Company. The consideration for the disposal was based on arm's length negotiations and was arrived at on a willing-buyer willing-seller basis. The consideration for the disposal was determined based on a P/E ratio of 9.5 times of the net profit after tax of Tianda for FY2014, and after taking into account, *inter alia*, Tianda's financial track record and competitive position. We note that the disposal P/E ratio of 9.5 times is lower than the P/E ratio of 24.3 times for the Group as implied by the Final Offer Price.

## 5.6 COMPARISON WITH RECENT TRANSACTIONS

For the purposes of our assessment, we have compared the financial terms of the Offer with those of selected transactions that were announced since July 2014 and up to the Latest Practicable Date, which involved either voluntary delisting offers under Rule 1307 of the Listing Manual, offers being made by way of a scheme of arrangement under Section 210 of the Companies Act or general takeover offers under the Code where the offeror has stated its intentions to delist the listed company from the SGX-ST ("**Recent 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 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 last transacted prices and VWAPs prior to the announcement of the respective Recent 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 Recent 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 Offer with the Recent 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.

| | | | Premium / (Discount) of Offer Price over/(to): | | | | |
|---|---|---|---|---|---|---|---|
| | Announcement Date | Type[36] | Last Transacted Price (%) | 1-month VWAP (%) | 3-month VWAP (%) | 6-month VWAP (%) | Offer Price / NTA (times) |
| Lee Kim Tah Holdings Limited[1] | 25-Sep-14 | VGO | 6.4 | 11.8 | 12.3 | 13.5 | 1.0 |
| Perennial China Retail Trust[2] | 27-Oct-14 | VGO | 29.6 | 34.0 | 33.0 | 32.1 | 0.9 |
| Forterra Trust[3] | 4-Nov-14 | MGO | 32.4 | 51.1 | 49.7 | 39.8 | 0.6 |
| ECS Holdings Limited[4] | 14-Nov-14 | VGO | 11.5 | 9.0 | 11.5 | 9.3 | 0.6 |
| euNetworks Group Limited[5] | 17-Nov-14 | MGO / VD | 32.6 | 58.4 | 69.2 | 101.2 | 2.1 |

| | Announcement Date | Type[36] | Premium / (Discount) of Offer Price over/(to): Last Transacted Price (%) | 1-month VWAP (%) | 3-month VWAP (%) | 6-month VWAP (%) | Offer Price / NTA (times) |
|---|---|---|---|---|---|---|---|
| UE E&C Ltd[6] | 28-Nov-14 | VGO | (2.3) | 2.7 | 5.0 | (2.9) | 1.2 |
| CH Offshore Ltd[7] | 11-Dec-14 | VGO | 18.3 | 20.1 | 17.0 | 16.8 | 1.0 |
| STATS ChipPAC Ltd[8] | 30-Dec-14 | VGO | 1.3 | 7.1 | (7.5) | (22.5) | 1.9 |
| LCD Global Investments Ltd[9] | 12-Jan-15 | VGO | 10.0 | 11.5 | 13.4 | 13.4 | 1.2 |
| Popular Holdings Limited[10] | 14-Jan-15 | VGO | 39.1 | 39.7 | 37.3 | 32.2 | 1.2 |
| Keppel Land Limited[11] | 23-Jan-15 | VGO | 20.0 | 25.0 | 28.8 | 28.2 | 0.9 |
| Action Asia Limited[12] | 27-Feb-15 | VD | 69.6 | 67.6 | 66.7 | 64.5 | 0.8 |
| United Envirotech Ltd[13] | 5-Mar-15 | VGO | 12.6 | 16.5 | 20.2 | 28.1 | 7.2 |
| Junma Tyre Cord Company Limited[14] | 10-Mar-15 | VD | 222.6 | 162.3 | 174.7 | 167.7 | 0.9 |
| Lizhong Wheel Group Ltd.[15] | 17-Aug-15 | VGO | 96.1 | 87.3 | 79.2 | 92.3 | 0.6 |
| Chosen Holdings Limited[16] | 1-Sep-15 | VGO | 21.2 | 26.3 | 27.0 | 33.3 | 0.9 |
| Eastern Holdings Ltd.[17] | 22-Sep-15 | VD | 41.7 | 67.3 | 34.1 | 25.7 | 0.8 |
| Zagro Asia Limited[18] | 3-Nov-15 | VD | 15.4 | 19.0 | 20.0 | 16.3 | 0.9 |
| Tiger Airways Holdings Limited[19] | 6-Nov-15 | VGO | 45.2 | 48.5 | 56.3 | 50.0 | 5.4 |
| Sinotel Technologies Ltd.[20] | 30-Nov-15 | VD | 50.6 | 30.6 | 45.5 | (4.5) | 0.8 |
| Neptune Orient Lines Limited[21] | 7-Dec-15 | VGO | 48.6 | 51.0 | 32.9 | 30.7 | 1.0 |
| Li Heng Chemical Fibre Technologies Limited[22] | 22-Dec-15 | VGO | 115.1 | 100.8 | 104.5 | 60.3 | 0.4 |
| China Dairy Group Ltd.[23] | 30-Dec-15 | VD | 77.3 | 96.4 | 82.5 | 82.5 | 1.1 |
| Lantrovision (S) Ltd[24] | 27-Jan-16 | SOA | 47.7 | 42.8 | 46.2 | 56.6 | 1.5 |
| China Yongsheng Limited[25] | 24-Feb16 | VGO | 52.4 | 67.4 | 62.4 | 56.9 | 0.7 |
| Xinren Aluminium Holdings Limited[26] | 25-Feb-16 | VGO | 25.1 | 49.6 | 50.0 | 48.5 | n.m. |
| Interplex Holdings Ltd[27] | 29-Feb-16 | VGO | 15.5 | 11.1 | 13.1 | 16.5 | 5.3 |
| OSIM International Ltd[28] | 7-Mar-16 | VGO | 27.0 | 40.9 | 42.5 | 16.7 | 4.6 |
| Select Group Limited[29] | 23-Mar-16 | VGO | 23.5 | 37.9 | 43.4 | 31.6 | 3.8 |
| Xyec Holdings Co., Ltd[30] | 29-Mar-16 | VD | 50.0 | 49.3 | 49.3 | 53.8 | 1.5 |
| China Merchants Holdings (Pacific) Limited[31] | 9-May-16 | VGO | 22.9 | 21.9 | 25.5 | 20.1 | n.m. |
| Eu Yan Sang International Ltd[32] | 16-May-16 | VGO | 2.6 | 8.5 | 16.5 | 24.7 | 1.7 |
| Otto Marine Limited[33] | 8-Jun-16 | VD | 39.1 | 44.8 | 43.5 | 42.9 | 0.3 |

| | Announcement Date | Type[36] | Premium / (Discount) of Offer Price over/(to): Last Transacted Price (%) | 1-month VWAP (%) | 3-month VWAP (%) | 6-month VWAP (%) | Offer Price / NTA (times) |
|---|---|---|---|---|---|---|---|
| HTL International Holdings Limited [34] | 22-Jun-16 | SOA | 46.0 | 71.5 | 101.2 | 108.3 | 1.9 |
| Maximum | | | 222.6 | 162.3 | 174.7 | 167.7 | 7.2 |
| Minimum | | | (2.3) | 2.7 | (7.5) | (22.5) | 0.3 |
| Mean | | | 40.2 | 43.8 | 44.3 | 40.7 | 1.7 |
| Median | | | 31.0 | 40.3 | 39.9 | 31.9 | 1.0 |
| **The Group**[35] (Based on Final Offer Price) | 21-Apr-16 | VGO | 33.9 | 38.0 | 44.1 | 49.6 | 1.2 |

**Notes:**

(1) Based on the revalued NAV per share (taking into account contingent tax liability) of S$1.107 as at 30 June 2014.

(2) Based on the NAV per share of S$0.74 as at 30 September 2014.

(3) Based on the revalued NAV per share of S$3.87 as at 30 September 2014.

(4) Based on the unaudited NAV per share of S$1.06 as at 30 September 2014.

(5) Based on the NTA per share of S$0.565 as at 31 December 2014.

(6) Based on the adjusted NAV per share of S$1.05 stated in the independent financial adviser letter to UE E&C Ltd less goodwill as at 30 September 2014.

(7) Based on the revalued NTA of US$291.06 million as at 31 December 2014.

(8) Based on the NTA (excluding the value of perpetual securities) of US$393,641,000 as at 29 March 2015.

(9) Based on the unaudited NTA of S$285.65 million as at 31 December 2014.

(10) Based on the unaudited revalued NTA attributable to shareholders (taking into account the revaluation surplus arising from the revalued properties) of S$218.1 million as at 31 October 2014.

(11) Based on the NAV per share of S$4.95 as at 31 December 2014.

(12) Based on the unaudited consolidated NTA per share of S$0.233 as at 31 March 2015.

(13) Based on the unaudited NAV of S$702,655,000 stated in the independent financial adviser letter to United Envirotech Ltd less goodwill and intangible assets as at 31 December 2014.

(14) Based on the revalued NTA per share of S$0.21 as at 31 December 2014.

(15) Based on the revalued NTA per share of S$0.86 as at 30 June 2015.

(16) Based on the revalued NTA per share of S$0.2826 as at 30 June 2015.

(17) Based on the revalued NTA per share of S$0.515 as at 30 September 2015.

(18) Based on the revalued NTA per share of S$0.35 as at 30 June 2015.

(19) Based on the NTA per share of S$0.0836 as at 30 September 2015.

(20) Based on the NTA per share of S$0.158 as at 30 September 2015.

(21) Based on the NTA per share of S$1.284 as at 18 September 2015.

(22) Based on the RNAV per share of RMB10.46 as at 30 September 2015.

(23) Based on the RNAV per share of RMB0.884 as at 31 December 2015.

(24) Based on the NAV per share of S$2.21 as at 31 December 2015.

(25) Based on the NTA per share of RMB0.2071 as at 31 December 2015.

(26) n.m. – Not meaningful as Xinren Aluminium Holdings Limited was in a net tangibles liabilities position based on the equity attributable to equity holders of the parent and intangible assets as at 31 December 2015.

(27) Based on the NTA per share of S$0.153 as at 31 December 2015.

(28) Based on the NTA per share of S$0.305 as at 31 December 2015.

(29) Based on the adjusted NTA per share of S$0.14 as at 31 December 2015.

(30) Based on the NTA per share of S$0.20 as at 30 September 2015.

(31) n.m. - Not meaningful as China Merchants Holdings (Pacific) Limited was in a net tangible liabilities position as at 31 March 2016.

(32) Based on the NTA per share of S$0.343 as at 31 March 2016.

(33) Based on the NTA per share of S$1.039 as at 31 March 2016.

(34) Based on the NTA per share of S$0.538 as at 31 March 2016.

(35) Based on the Final Offer Price of S$0.85, the last transacted price of S$0.635 for the Shares on 20 April 2016, being the Last Trading Day, the respective VWAP periods up to and including the Last Trading Day, and the RNTA (excluding NCI) per Share of S$0.686.

(36) VGO – Voluntary General Offer, VD – Voluntary Delisting, MGO – Mandatory General Offer, SOA – Scheme of Arrangement.

Based on the above, we note that:

(i) the premium implied by the Final Offer Price over the last transacted price and VWAP for the 3-month prior to the Offer Announcement Date of the Shares is within the range, below the mean and above the median premiums of Recent Transactions;

(ii) the premium implied by the Final Offer Price over the VWAP for the 1-month prior to the Offer Announcement Date of the Shares is within the range and below the mean and median premiums of Recent Transactions;

(iii) the premium implied by the Final Offer Price over the VWAP for the 6-month prior to the Offer Announcement Date of the Shares is within the range and above the mean and median premiums of Recent Transactions; and

(iv) the ratio of the Final Offer Price over the NTA of the Shares, as implied by the RNTA (excluding NCI), is within the range, below the mean and above the median offer price over NTA ratios of Recent Transactions.

## 5.7 THE FINANCIAL PERFORMANCE OF THE GROUP

A summary of the consolidated income statements of the Group for the three financial years ended 31 December ("**FY**") 2015 and the three months period ended 31 March 2015 ("**1Q2015**") and 31 March 2016 ("**1Q2016**") respectively is set out below:

| | Audited | | | Unaudited | |
|---|---|---|---|---|---|
| **S$'000** | **FY2013(1)** | **FY2014(1)** | **FY2015** | **1Q2015** | **1Q2016** |
| Revenue | 174,755 | 240,581 | 341,335 | 29,036 | 41,886 |
| Net profit/(loss) | 14,707 | 13,343 | 18,327 | (430) | 526 |
| Profit/(loss) attributable equity holders of the Company | 14,344 | 13,019 | 13,210 | (504) | (254) |

**Note:**

(1) The RTO of the Company by Tianda was completed on 19 August 2014. The consolidated financial statements represent a continuation of the consolidated financial statements of the Tianda Group.

*FY2014 versus FY2013*

Revenue increased by 37.7% (or S$65.8 million) from S$174.8 million in FY2013 to S$240.6 million in FY2014, mainly attributable to (i) higher contribution from the passenger boarding bridge and automated parking system as well as the logistic system business segments in both China and internationally and (ii) revenue contribution from the Pteris group as a result of the reverse acquisition.

Net profit however decreased by 9.3% from S$14.7 million in FY2013 to S$13.3 million in FY2014, mainly attributable to (i) higher staff costs as a result of higher headcount in line with the increase in the size of business operations, a general increase in labour costs of Chinese workforce and the inclusion of the Company's staff cost following the completion of the reverse takeover in August 2014 and (ii) increase in other operating expenses as a result of higher freight and demurrage charges which was in tandem with the increase in international business activities undertaken by the Group, relocation and startup costs relating to the relocation of the passenger boarding bridges business to a new office and production facility at Bao'an District in Shenzhen, China, and associated costs incurred by the Company arising from the reverse takeover.

*FY2015 versus FY2014*

Revenue increased by 41.9% (or S$100.8 million) from S$240.6 million in FY2014 to S$341.3 million in FY2015, mainly attributable to higher contribution from the passenger boarding bridge

and automated parking system as well as the logistic system business segments arising from newly secured contracts from both China and internationally.

Net profits increased by 37.4% from S$13.3 million in FY2014 to S$18.3 million in FY2015, mainly attributable to higher rental income and government grants, lower other operating expenses that was offset by higher depreciation and amortisation expenses and staff costs. Nevertheless, after excluding profit attributable to non-controlling interests, profit attributable to equity holders of the Company only increased slightly by 1.5% from S$13.0 million in FY2014 to S$13.2 million in FY2015.

*1Q2016 versus 1Q2015*

Revenue increased by 44.3% (or S$12.9 million) from S$29.0 million in 1Q2015 to S$41.9 million in 1Q2016, mainly attributable to higher revenue contribution across all business segments in both China and internationally.

Other income increased by 158.0% (or S$1.9 million) on the back of higher government grants. Consequently, net profits increased by S$0.9 million, from a loss of S$0.4 million in 1Q2015 to a profit of S$0.5 million in 1Q2016. Losses attributable to equity holders of the Company also improved to a loss of S$0.3 million in 1Q2016 versus a loss of S$0.5 million in 1Q2015.

We note from the Company's RTO Circular that business in the first quarter of each calendar year tends to be affected by seasonal factors such as (i) adverse weather conditions during winter, from January to March, which may affect the airport facilities equipment industry, and (ii) the Lunar New Year holidays in the PRC, which typically occur in January or February, and may affect production, and hence the business.

## 5.8 THE DIVIDEND TRACK RECORD OF THE COMPANY

The dividend track record of the Company for FY2013 through FY2015 is set out below:

| | FY2013 | FY2014 | FY2015 |
|---|---|---|---|
| Dividends per Share declared in respect of each financial year (Singapore cents) | Nil | Nil | 1.00 |

Of the three most recently completed financial years, the Company has only declared a dividend of 1.00 Singapore cents per Share in respect of FY2015. This translates to a dividend yield of approximately 1.6% based upon the average closing price of the Shares in FY2015 of S$0.622.

We note from the Group's FY2015 annual report that the Company does not have a fixed dividend policy at present. 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. There is no assurance that the Company will continue to pay dividends in future and/or maintain the level of dividends paid in the past periods.

## 5.9 OTHER CONSIDERATIONS

In determining whether the revised Offer is fair and reasonable, we have also considered the following:

### (a) No alternative offer

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal from any third party has been received. We also note that there is no publicly available evidence of any alternative offer for the Shares from any third party.

### (b) Listing status

As at the Latest Practicable Date, the Company no longer meets the Free Float Requirement prescribed by Rule 723 of the Catalist Rules.

As set out in Section 9.1 of the Offer Document, if the Free Float Requirement is not satisfied at the close of the Offer and the trading of the Shares on the SGX-ST is suspended at the close of the Offer, the Offeror does not intend to take any actions for any trading suspension in the securities of the Company to be lifted or support any actions by the Company to maintain its listing status. In addition, the Offeror reserves the right to seek a voluntary delisting of the Company from the Catalist Board of the SGX-ST pursuant to Rules 1307 and 1308 of the Catalist Rules.

### (c) No compulsory acquisition

In view of the SZ TGM Undertaking, the Offeror does not expect to receive sufficient valid acceptances of the Offer in order to meet the Section 215(1) Threshold and/or the Section 215(3) Threshold.

Accordingly, the Offeror will not be entitled to exercise any rights under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of Dissenting Shareholders. Dissenting Shareholders will also not be entitled to exercise their rights under Section 215(3) of the Companies Act to require the Offeror to acquire their Shares.

### (d) Offeror's intentions for the Group

As set out in Section 6.3 of the Offer Document, the Offeror intends to ensure continuity in the operations of the Group and to steer the Group towards further growth and development. The Offeror also intends to undertake a review of the operations, management and financial position of the Company and to evaluate various options or opportunities which may present themselves which it regards to be in the interests of the Offeror and/or the Company.

Save as disclosed above, the Offeror does not currently have any intention to make major changes to (a) the business of the Company, (b) the deployment of the fixed assets of the Company, or (c) the employment of the employees of the Group.

**(e) Intention of the Directors in respect of their Shares**

Dr Soon Kong Ann has informed the Company that:

(i) he has tendered his acceptance of the revised Offer in respect of the 6,100,000 Shares in which he had an interest (direct and deemed); and

(ii) Leong Huat (Investment) Pte Ltd and Leong Huat Equities Pte Ltd, which hold in aggregate, 4,105,400 Shares, have tendered their acceptance of the revised Offer.

Save for Dr Soon Kong Ann, none of the Directors has any direct or indirect interest in the Shares.

## 6. OUR OPINION

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 deem essential and balanced them before reaching 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:

(a) the Final Offer Price represents a premium of approximately 32.4%, 38.0%, 44.1%, 49.6% and 45.3% to the VWAP of the Shares on the Last Trading Day and the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to the Offer Announcement Date respectively;

(b) following the Offer Announcement Date, the VWAP for the period after the Offer Announcement Date up to 1 July 2016 increased to S$0.750. The Final Offer Price is at (i) a 13.3% premium to the VWAP of S$0.750 for the period after the Offer Announcement Date up to 1 July 2016, and (ii) a 9.0% premium to the highest closing price of the Shares of S$0.780 for the period after the Offer Announcement Date up till 1 July 2016;

(c) the Shares have not closed above the Final Offer Price for the 12 months prior to the Offer Announcement Date up till the Offer Price Revision Announcement Date;

(d) following the revision in the offer price, the VWAP for the period after the Offer Price Revision Announcement Date up till the Latest Practicable Date further increased to S$0.850. The Shares have closed daily at the Final Offer Price for the period after the Offer Price Revision Announcement Date up till the Latest Practicable Date;

(e) the Final Offer Price is equal to the last transacted price of S$0.85 per Share on the Latest Practicable Date;

(f) the average daily trading volume of the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to the Offer Announcement Date was low, representing only 0.06%, 0.14%, 0.09% and 0.06% of the free float respectively;

(g) the Shares have outperformed the FSSTI for the 1-year period up to the Offer Announcement Date. The market prices of the Shares declined only by 4.5% as compared to the 15.6% decline in the FSSTI over the said period;

(h) for the period from the Offer Announcement Date up till 1 July 2016, as a result of the Offer, the market prices of the Shares increased by 22.8%, as compared to the 3.9% decline in the FSSTI. For the period from 1 July 2016 up till the Latest Practicable Date, the market prices of the Shares further increased by 9.0% due to the revision in the offer price as compared to the 0.6% increase in the FSSTI;

(i) the Final Offer Price represents a premium of 9.4% (or S$0.073) to the RNAV (excluding NCI) per Share of S$0.777 as at 31 March 2016;

(j) the Final Offer Price represents a premium of 23.9% (or S$0.164) to the RNTA (excluding NCI) per Share of S$0.686 as at 31 March 2016;

(k) the P/E ratio of the Group, as implied by the Final Offer Price, is within the range, below the mean and above the median P/E ratios of the Comparable Companies;

(l) the EV/EBITDA, P/NAV and P/NTA ratios of the Group, as implied by the Final Offer Price, are within the range, and below the mean and the median EV/EBITDA, P/NAV and P/NTA ratios of the Comparable Companies;

(m) the P/RNAV and P/RNTA ratios of the Group, as implied by the Final Offer Price, the RNAV (excluding NCI) and the RNTA (excluding NCI), are within the range, and below the mean and the median P/NAV and P/NTA ratios of the Comparable Companies;

(n) the P/E ratio of Tianda in the RTO is within the range but below the mean and median of its comparable companies, whilst the P/E ratio of the Group in the Offer, is within the range, below the mean and above the median of its comparable companies. The EV/EBITDA, P/NAV and P/NTA ratios of Tianda in the RTO and the EV/EBITDA, P/NAV and P/NTA ratios of the Group in the Offer, are all within the range but below the mean and median of its comparable companies. While the P/NAV ratio and the P/NTA ratio of the Group in the Offer are lower than the P/NAV ratio and the P/NTA ratio of Tianda in the RTO, the P/E ratio of the Group in the Offer is significantly higher compared to the P/E ratio of Tianda in the RTO, and the EV/EBITDA ratio of the Group in the Offer is also higher than the EV/EBITDA ratio of Tianda in the RTO;

(o) the Final Offer Price is at a 30.8% premium to the RTO Issue Price and based on the daily closing price of the Shares, the Shares have not traded above the Final Offer Price from the time the RTO was completed in August 2014 up till the Offer Price Revision Announcement Date;

(p) the valuation of the Group, as implied by the Final Offer Price, is at a 21.8% premium to the Implied RTO Valuation;

(q) in July 2015, the Company completed the disposal of a non-controlling 30% equity interest in Tianda for which the consideration was based on a P/E ratio of 9.5 times of

the net profit after tax of Tianda for FY2014, and after taking into account, *inter alia*, Tianda's financial track record and competitive position. This disposal P/E ratio is lower than the P/E ratio of 24.3 times for the Group as implied by the Final Offer Price;

(r) the premium implied by the Final Offer Price over the last transacted price and VWAP for the 3-month prior to the Offer Announcement Date of the Shares is within the range, below the mean and above the median premiums of Recent Transactions;

(s) the premium implied by the Final Offer Price over the VWAP for the 1-month prior to the Offer Announcement Date of the Shares is within the range and below the mean and median premiums of Recent Transactions;

(t) the premium implied by the Final Offer Price over the VWAP for the 6-month prior to the Offer Announcement Date of the Shares is within the range and above the mean and median premiums of Recent Transactions;

(u) the ratio of the Final Offer Price over the NTA of the Shares, as implied by the RNTA (excluding NCI), is within the range, below the mean and above the median offer price over NTA ratios of Recent Transactions;

(v) the financial performance of the Group. While the Group has been profitable in its last three financial years, being FY2013 through FY2015, the profit attributable to equity holders of the Company decreased from S$14.3 million in FY2013 to S$13.2 million in FY2015; and

(w) other relevant consideration as set out in paragraph 5.9 of this Supplemental IFA Letter.

**Accordingly, after taking into account the above factors, we are of the opinion that, as of the date hereof, the financial terms of the revised Offer are fair and reasonable, and we advise the Independent Directors to recommend the Shareholders to ACCEPT the revised Offer unless the Shareholders are able to obtain a price higher than the Final Offer Price on the open market, after taking into account all brokerage commissions or transaction costs in connection with open market transactions.**

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

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 the responsibility of the Independent Directors. Neither the Company nor the Directors 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.

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 truly
For and on behalf of
**XANDAR CAPITAL PTE LTD**

ALEX TAN KAH KOON
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

# APPENDIX 2: ADDITIONAL GENERAL INFORMATION

## 1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out in paragraph 1 of Appendix II to the Offeree Circular.

## 2. REGISTERED OFFICE

The registered office of the Company is set out in paragraph 2 of Appendix II to the Offeree Circular.

## 3. PRINCIPAL ACTIVITIES

The principal activities of the Company are set out in in paragraph 3 of Appendix II to the Offeree Circular.

## 4. SHARE CAPITAL

### 4.1 Issued share capital

The Company has one class of shares, being ordinary shares. As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S$209,245,496.76 comprising 385,365,703 Shares. As at the Latest Practicable Date, the Company has no treasury shares. The issued Shares are listed and quoted on the Catalist Board of the SGX-ST.

There is no restriction in the Constitution on the right to transfer any Shares, which has the effect of requiring the holders of Offer Shares, before transferring them, to offer them for purchase to members of the Company or to any other person.

### 4.2 Capital, dividends and voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution, which is available for inspection at the Company's registered office at 28 Quality Road, Singapore 618828. The relevant articles in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been extracted from the Constitution and are set out in Appendix VI to the Offeree Circular.

### 4.3 Number of Shares issued since the end of the last financial year

Save as disclosed in paragraph 4.3 of Appendix II to the Offeree Circular, no Shares have been issued by the Company since the end of the last financial year up to the Latest Practicable Date.

### 4.4 Options and convertible instruments

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

## 5. DISCLOSURE OF INTERESTS

### 5.1 Interests of the Company in Offeror Securities

The disclosures set out in paragraph 5.1 of Appendix II to the Offeree Circular are repeated as at and with reference to the Latest Practicable Date.

### 5.2 Dealings in Offeror Securities by the Company

The disclosures set out in paragraph 5.2 of Appendix II to the Offeree Circular are repeated as at and with reference to the Latest Practicable Date.

### 5.3 Interests of Directors in Offeror Securities

The disclosures set out in paragraph 5.3 of Appendix II to the Offeree Circular are repeated as at and with reference to the Latest Practicable Date.

### 5.4 Dealings in Offeror Securities by the Directors

The disclosures set out in paragraph 5.4 of Appendix II to the Offeree Circular are repeated as at and with reference to the Latest Practicable Date.

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

As at the Latest Practicable Date, none of the Directors has any direct or indirect interests in the Company Securities.

### 5.6 Dealings in Company Securities by the Directors

Save for acceptances of the revised Offer as disclosed in paragraph 5.9 below, the disclosures set out in paragraph 5.6 of Appendix II to the Offeree Circular are repeated as at and with reference to the Latest Practicable Date.

### 5.7 Company Securities owned or controlled by the IFA

The disclosures set out in paragraph 5.7 of Appendix II to the Offeree Circular are repeated as at and with reference to the Latest Practicable Date.

### 5.8 Dealings in Company Securities by the IFA

The disclosures set out in paragraph 5.8 of Appendix II to the Offeree Circular are repeated as at and with reference to the Latest Practicable Date.

### 5.9 Directors' Intentions in relation to the Revised Offer

Dr. Soon Kong Ann had an interest in 6,100,000 Shares (direct interest in 1,360,000 Shares and deemed interest in 4,740,000 Shares held by his spouse Mdm. Cheong Loo Kheng). Dr. Soon Kong Ann had given his irrevocable undertaking to accept the revised Offer together with certain other Shareholders as disclosed in paragraph 3.1 of the Supplemental Letter, including Mdm. Cheong Loo Kheng, Leong Huat (Investment) Pte Ltd ("**Leong Huat Investment**") and Leong Huat Equities Pte Ltd ("**Leong Huat Equities**"). While Dr. Soon Kong Ann is a director and an indirect non-controlling shareholder of each of Leong Huat Investment and Leong Huat Equities, he is not deemed interested in the Shares held by either of Leong Huat Investment or Leong Huat Equities under Section 4 of the SFA.

Save for Dr. Soon Kong Ann, none of the Directors has any direct or indirect interest in the Shares.

## 6. OTHER DISCLOSURES

The disclosures set out in paragraphs 6.1 and 6.2 of Appendix II to the Offeree Circular are repeated as at and with reference to the Latest Practicable Date.

## 7. MATERIAL CONTRACTS WITH INTERESTED PERSONS

CIMC had in FY2014 provided Langfang CIMC, a wholly-owned subsidiary of the Company, an inter-company credit facility ("**Facility**") of RMB114.4 million, to be utilised for the construction of the new production base in Langfang City (Hebei Province) China. As at the Latest Practicable Date, RMB65.5 million has been drawn down. The interest rate on the drawdowns is 4.15%. Each drawdown is typically repayable within a year of the drawdown date, subject to any roll-over granted by CIMC.

Save for the paragraph on "Facility from Interested Persons", the disclosures set out in paragraph 7 of Appendix II to the Offeree Circular are repeated as at and with reference to the Latest Practicable Date.

## 8. MATERIAL LITIGATION

The disclosures set out in paragraph 8 of Appendix II to the Offeree Circular are repeated as at and with reference to the Latest Practicable Date.

## 9. FINANCIAL INFORMATION

The disclosures set out in paragraphs 9.1 to 9.6 of Appendix II to the Offeree Circular are repeated as at and with reference to the Latest Practicable Date.

## 10. VALUATION ON PROPERTIES

The disclosures set out in paragraph 10 of Appendix II to the Offeree Circular are repeated as at and with reference to the Latest Practicable Date.

## 11. MATERIAL CHANGE IN INFORMATION

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

## 12. GENERAL

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

(b) Xandar Capital 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 and all references thereto in the form and context in which they appear in this Supplemental Letter.

## 13. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 28 Quality Road, Singapore 618828 during normal business hours for the period during which the Offer remains open for acceptance:

(a) the documents referred to in paragraph 12 of Appendix II to the Offeree Circular;

(b) the Supplemental IFA Letter; and

(c) the letter of consent referred to in paragraph 12(b) above.

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