CIRCULAR DATED 30 MARCH 2016

THIS CIRCULAR TO SHAREHOLDERS (THE "CIRCULAR") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein and the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or any other independent professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of Midas Holdings Limited (the "**Company**"), you should immediately forward this Circular, the Notice of EGM (as defined herein) and the Proxy Form attached to this Circular to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

The Company is listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and has a secondary listing on The Stock Exchange of Hong Kong Limited ("**SEHK**").

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

Hong Kong Exchanges and Clearing Limited and SEHK take no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

SGX-ST has approved in-principle the listing and quotation of the Consideration Shares (as defined herein) and the new Shares (as defined herein) to be allotted and issued pursuant to the proposed Midas Performance Share Plan 2016 (as defined herein). Such approval is not to be taken as an indication of the merits of the Proposed Acquisition (as defined herein), the Midas Performance Share Plan 2016, the Consideration Shares, the Shares, the Company and/or its subsidiaries.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

Midas Holdings Limited
麥達斯控股有限公司

(Incorporated in Singapore with limited liability)
(Company Registration Number: 200009758W)
(Singapore Stock Code: 5EN)
(Hong Kong Stock Code: 1021)

CIRCULAR TO SHAREHOLDERS
IN RELATION TO:

(I) THE PROPOSED ACQUISITION BY THE COMPANY OF THE ENTIRE ISSUED SHARE CAPITAL OF HUICHENG CAPITAL LIMITED FOR A CONSIDERATION OF UP TO S$264 MILLION AS AN INTERESTED PERSON TRANSACTION;

(II) THE PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 733,333,330 SHARES IN THE CAPITAL OF THE COMPANY UNDER SPECIFIC MANDATE (REPRESENTING 60.23% OF THE SHARES OF THE COMPANY CURRENTLY IN ISSUE) AT S$0.36 PER SHARE IN SATISFACTION OF THE CONSIDERATION FOR THE PROPOSED ACQUISITION; AND

(III) THE PROPOSED ADOPTION OF THE MIDAS PERFORMANCE SHARE PLAN 2016.

Independent Financial Adviser to the Directors Independent of the Proposed Acquisition

nra *capital*

(Company Registration Number: 199904258C)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Forms	:	27 April 2016 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	29 April 2016 at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 9.00 a.m. on the same day and at the same venue)
Place of Extraordinary General Meeting	:	SAFRA Mount Faber, 2 Telok Blangah Way, Crystal Room 1-3, Singapore 098803

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"**Adjusted Profit after Tax**"	Profit after tax after adjustments for non-operating items including, but not restricted, to: (i) grants from government or any other parties; (ii) dividend income; or (iii) any other income that is not part of income from operations
"**Announcement**"	The Company's announcement dated 30 November 2015 in relation to the Proposed Acquisition
"**Associated Company**"	A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries, or a subsidiary of such company, and over which the Company has control
"**Associated Company Employee**"	Any employee of an Associated Company (including any Associated Company Executive Director)
"**Associated Company Executive Director**"	A director of an Associated Company who performs an executive function
"**Associates**"	(i) In relation to any director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and (ii) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"**Audit Committee**"	The audit committee of the Company, comprising Chan Soo Sen, Xu Wei Dong and Tong Din Eu as at the date of this Circular
"**Award**"	A (contingent) award of Shares granted under the Midas Performance Share Plan 2016
"**Award Date**"	In relation to an Award, the date on which the Award is granted pursuant to the Midas Performance Share Plan 2016

"**Award Letter**"	A letter in such form as the Remuneration Committee shall approve, confirming an Award granted to a Participant by the Remuneration Committee
"**Board**"	The board of Directors as at the date of this Circular
"**CDP**"	The Central Depository (Pte) Limited
"**Circular**"	This circular dated 30 March 2016
"**Companies Act**"	The Companies Act (Chapter 50) of Singapore as amended, modified or supplemented from time to time
"**Company**"	Midas Holdings Limited
"**Completion**"	The completion of the Proposed Acquisition
"**Consideration**"	The sum of up to S$264 million, comprising the Initial Consideration and the Earn-Out Consideration and being the aggregate purchase consideration payable by the Company for the issued and paid-up share capital of the Target pursuant to the Proposed Acquisition, to be fully satisfied by the allotment and issuance of Consideration Shares
"**Consideration Shares**"	Up to 733,333,330 new Shares to be issued by the Company to satisfy the Consideration for the Proposed Acquisition, comprising the Initial Consideration Shares and the Earn-Out Consideration Shares
"**Controlling Shareholder**"	A person who (i) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company or (ii) in fact exercises control over the Company
"**Dalian Huicheng**"	Dalian Huicheng Aluminium Co., Ltd.
"**Directors**"	The directors of the Company as at the date of this Circular
"**Directors Independent of the Proposed Acquisition**"	Directors who are considered independent for the purpose of making the recommendation to Independent Shareholders in respect of the Proposed Acquisition, being all the Directors save for Chen Wei Ping
"**Earn-Out Consideration**"	The sum of up to S$97.68 million (being part of the Consideration) which is payable by the Company to Chen Wei Ping in the manner set out in paragraph 2.4 of this Circular, to be fully satisfied by way of allotment and issuance of the Earn-Out Consideration Shares
"**Earn-Out Consideration Shares**"	The up to 271,333,333 Shares to be issued to Chen Wei Ping for the satisfaction of the Earn-Out Consideration in the manner set out in paragraph 2.4 of this Circular

"**EGM**" or "**Extraordinary General Meeting**"	The extraordinary general meeting of the Company, notice of which is set out on page 75 of this Circular, to be held on 29 April 2016 at 10.00 a.m., and any adjournment thereof
"**EPS**"	Earnings per Share
"**ESOS**"	Shall have the meaning ascribed to it in paragraph 3.2 of this Circular
"**FRS 102**"	Shall have the meaning ascribed to it in paragraph 3.10.1 of this Circular
"**FY2014**"	The financial year ended 31 December 2014
"**Group**"	The Company and its subsidiaries
"**Group Employee**"	Any employee of the Group (including any Group Executive Director)
"**Group Executive Director**"	A director of the Company and/or any of its Subsidiaries, as the case may be, who performs an executive function
"**Huicheng Group**"	Huicheng Capital Limited and its subsidiary, Dalian Huicheng Aluminium Co., Ltd.
"**IFA**"	NRA Capital Pte. Ltd.
"**Independent Directors**"	The independent directors of the Company, being Chan Soo Sen, Xu Wei Dong and Tong Din Eu as at the date of this Circular
"**Independent Shareholders**"	The Shareholders (other than Chen Wei Ping, parties acting in concert with him and parties not independent of them) who are deemed to be independent for the purpose of the Proposed Acquisition
"**Independent Valuer**"	Roma Appraisals Limited
"**Initial Consideration**"	The sum of S$166.32 million (being part of the Consideration) which is payable by the Company to the Vendor(s), save for Chen Wei Ping, to be fully satisfied by way of allotment and issuance of the Initial Consideration Shares, upon Completion
"**Initial Consideration Shares**"	The 461,999,997 Shares to be issued to the Vendors, save for Chen Wei Ping, for the satisfaction of the Initial Consideration
"**Interested Person**"	A Director, Chief Executive Officer, or Controlling Shareholder of the Company or an Associate of any such Director, Chief Executive Officer or Controlling Shareholder

"**IPT Acquisition**"	The proposed acquisition by the Company of the issued and paid up share capital of Huicheng Capital Limited from Chen Wei Ping (as part of the Proposed Acquisition)
"**Issue Price**"	The issue price of S$0.36 for each Consideration Share
"**Latest Practicable Date**"	17 March 2016, being the latest practicable date prior to the printing of this Circular
"**Listing Manual**"	The listing manual of the SGX-ST, as amended or modified from time to time
"**Major Transaction**"	A transaction classified as a major transaction under Rule 1014(1) of the Listing Manual
"**Market Day**"	A day on which both the SGX-ST and SEHK are open for trading of securities
"**Market Value**"	In relation to a Share, on any day: (a) the volume-weighted average price of a Share on the SGX-ST or the SEHK (whichever is lower) over the five (5) immediately preceding Market Days on which the Shares are transacted on the SGX-ST or the SEHK (as the case may be); or (b) if the Remuneration Committee is of the opinion that the Market Value as determined in accordance with (a) above is not representative of the value of a Share, such price as the Remuneration Committee may determine, such determination to be confirmed in writing by the auditors for the time being of the Company (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable
"**Midas Performance Share Plan 2016**"	The Midas Performance Share Plan proposed to be adopted by the Company, as the same may be modified or altered from time to time
"**Non-Executive Associated Company Director**"	A director of an Associated Company, other than an Associated Company Executive Director
"**Non-Executive Directors**"	The Non-Executive Group Directors and Non-Executive Associated Company Directors, collectively
"**Non-Executive Group Director**"	A director of the Company and/or any of its subsidiaries, other than a Group Executive Director
"**Notice of EGM**"	The notice of the EGM set out on page 75 of this Circular, for the purposes of considering and, if thought fit, passing with or without modifications, the resolutions as set out therein
"**NTA**"	Net tangible assets

"**Ordinary Resolutions**"	The ordinary resolutions as set out in the Notice of EGM
"**%**"	Per centum or Percentage
"**Participant**"	The holder of an Award
"**Performance-related Award**"	An Award in relation to which a Performance Condition is specified
"**Performance Condition**"	In relation to a Performance-related Award, the condition specified on the Award Date in relation to that Award
"**Performance Period**"	In relation to a Performance-related Award, a period, the duration of which is to be determined by the Remuneration Committee on the Award Date, during which the Performance Condition is to be satisfied
"**PRC**"	The People's Republic of China
"**Proposed Acquisition**"	The proposed acquisition by the Company of the entire issued and paid up share capital of Huicheng Capital Limited
"**Proxy Form**"	The proxy form in respect of the EGM as attached to this Circular
"**Record Date**"	The date as at the close of business (or such other time as may have been prescribed by the Company) on which Shareholders must be registered in order to participate in the dividends, rights, allotments or other distributions (as the case may be)
"**Release**"	In relation to an Award, the release at the end of the Vesting Period relating to that Award of all or some of the Shares to which that Award relates in accordance with the Midas Performance Share Plan 2016 and, to the extent that any Shares which are the subject of the Award are not released pursuant to the Midas Performance Share Plan 2016, the Award in relation to those Shares shall lapse accordingly, and "**Released**" shall be construed accordingly
"**Release Schedule**"	In relation to an Award, a schedule (if any) in such form as the Remuneration Committee shall approve, in accordance with which Shares which are the subject of that Award shall be Released
"**Release Award**"	An Award in respect of which the Vesting Period relating to that Award has ended and which has been released in accordance with the Midas Performance Share Plan 2016
"**Remuneration Committee**"	The remuneration committee of the Company from time to time, which will administer the Midas Performance Share Plan 2016

"**Securities Accounts**"	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
"**SEHK**"	The Stock Exchange of Hong Kong Limited
"**SEHK Listing Rules**"	The Rules Governing the Listing of Securities on the SEHK, as amended or modified from time to time
"**SGX-ST**"	The Singapore Exchange Securities Trading Limited
"**Shareholders**"	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
"**Shares**"	Ordinary shares in the capital of the Company
"**Substantial Shareholder**"	A person with an interest in shares constituting not less than 5.0% of the total number of shares in issue
"**Subsidiary**"	A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act
"**Target**" or "**Huicheng Capital**"	Huicheng Capital Limited
"**Target Shares**"	Shares in the Target
"**Valuation Report**"	The valuation report on 100% equity interest in the Huicheng Group issued by the Independent Valuer dated 27 November 2015
"**Vendors**"	Chen Wei Ping, Chen Chen, Tang Tianrui, Yang Tianying, Yang Xiaoguang, Tan Poh Kuan Linda and He Qingzhi
"**Vesting**"	In relation to Shares which are the subject of a Released Award, the date (as determined by the Remuneration Committee and notified to the relevant Participant) on which those Shares shall be Vested pursuant to the Midas Performance Share Plan 2016
"**Vesting Period**"	In relation to an Award, a period or periods (if any), the duration of which is to be determined by the Remuneration Committee at the Award Date, after the expiry of which Shares which are subject to the applicable period shall be Vested to the relevant Participant on the relevant Vesting Date, subject to the Midas Performance Share Plan 2016

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

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

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Companies Act or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be, unless otherwise provided.

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

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

LETTER TO SHAREHOLDERS

MIDAS HOLDINGS LIMITED
(Incorporated in Singapore with limited liability)
(Company Registration Number: 200009758W)
(Singapore Stock Code: 5EN)
(Hong Kong Stock Code: 1021)

Directors of the Company

Chen Wei Ping (Executive Chairman)
Chew Hwa Kwang, Patrick (Chief Executive Officer)
Chan Soo Sen (Independent Non-executive Director)
Xu Wei Dong (Independent Non-executive Director)
Tong Din Eu (Independent Non-executive Director)

Registered Office

4 Shenton Way
#18-03 SGX Centre 2
Singapore 068807

Principal place of business in Hong Kong

36/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

30 March 2016

To: The Shareholders of Midas Holdings Limited

(I) THE PROPOSED ACQUISITION BY THE COMPANY OF THE ENTIRE ISSUED SHARE CAPITAL OF HUICHENG CAPITAL LIMITED FOR A CONSIDERATION OF UP TO S$264 MILLION AS AN INTERESTED PERSON TRANSACTION;

(II) THE PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 733,333,330 SHARES IN THE CAPITAL OF THE COMPANY UNDER SPECIFIC MANDATE (REPRESENTING 60.23% OF THE SHARES OF THE COMPANY CURRENTLY IN ISSUE) AT S$0.36 PER SHARE IN SATISFACTION OF THE CONSIDERATION FOR THE PROPOSED ACQUISITION; AND

(III) THE PROPOSED ADOPTION OF THE MIDAS PERFORMANCE SHARE PLAN 2016.

Dear Sir/Madam

1. INTRODUCTION

1.1 The Board of the Company is convening the EGM to be held on 29 April 2016 to seek Shareholders' approval for the following proposals:

(a) the Proposed Acquisition by the Company of the entire issued share capital of the Target for a consideration of up to S$264 million as an Interested Person Transaction (Ordinary Resolution 1);

(b) the proposed allotment and issuance of up to 733,333,330 Consideration Shares in the capital of the Company under specific mandate (representing 60.23% of the Shares of the Company currently in issue) at S$0.36 per Share in satisfaction of the Consideration for the Proposed Acquisition (Ordinary Resolution 2); and

(c) the proposed adoption of the Midas Performance Share Plan 2016 (Ordinary Resolution 3).

1.2 The passing of Ordinary Resolution 1 is conditional upon the passing of Ordinary Resolution 2 and the passing of Ordinary Resolution 2 is conditional upon the passing of Ordinary Resolution 1.

1.3 The purpose of this Circular is to provide Shareholders with information relating to the abovementioned proposals to be tabled at the EGM and to seek Shareholders' approval at the EGM for the Ordinary Resolutions set out in the Notice of EGM attached to this Circular.

1.4 The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

1.5 Hong Kong Exchanges and Clearing Limited and SEHK take no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

2. PROPOSED ACQUISITION

2.1 Introduction

On 30 November 2015, the Board of the Company announced (the "**Announcement**") that the Company proposes to acquire the entire issued share capital of the Target from the Vendors for an aggregate consideration of up to S$264 million[(1)] (the "**Consideration**") (the "**Proposed Acquisition**").

On 30 November 2015, the Company entered into a conditional sale and purchase agreement (the "**S&P Agreement**") with the Vendors, pursuant to which each of the Vendors agreed to sell, as legal and beneficial owner, the number of shares in the Target (the "**Target Shares**") and each right attaching to such Target Shares set out against the name of such Vendor below, free from any encumbrance, and the Company agreed to buy such Target Shares and each right attaching to such Target Shares as at the date of Completion. Upon Completion, the Target will become a wholly-owned subsidiary of the Company.

The number of Target Shares held by each Vendor is as follows:

Name of Vendor	Number of Target Shares held	Number of Target Shares held as a percentage of the entire issued share capital of the Target
Chen Wei Ping	74	37%
Chen Chen	22	11%
Tang Tianrui	22	11%
Yang Tianying	22	11%
Yang Xiaoguang	20	10%
Tan Poh Kuan Linda	20	10%
He Qingzhi	20	10%
Total	**200**	**100%**

Yang Xiaoguang is the board chairman and legal representative of Dalian Huicheng. Chen Wei Ping is the sole director of Huicheng Capital. Save for the aforementioned, the remaining Vendors are passive investors.

Chen Chen is the nephew of Chen Wei Ping. Save for the aforementioned, the remaining Vendors are unrelated to one another.

(1) Equivalent to approximately RMB1.2 billion based on an exchange rate of RMB4.5455 to SGD1.

The Consideration comprises the following:

(i) the payment of an aggregate S$166.32 million[2] (being the Initial Consideration) to the Vendors save for Chen Wei Ping, which shall be wholly satisfied by the issuance of 461,999,997 Shares to be allotted and issued at the Issue Price of S$0.36 per Share (the "**Initial Consideration Shares**"); and

(ii) the payment of up to S$97.68 million[3] (being the Earn-Out Consideration) to Chen Wei Ping, which shall be wholly satisfied by the issuance of up to 271,333,333 Shares to be allotted and issued at the Issue Price (the "**Earn-out Consideration Shares**").

The Issue Price of S$0.36 per Initial Consideration Share and Earn-out Consideration Share (the **"Consideration Shares**"), is a premium of 17.80% to the weighted average price of the Shares on 27 November 2015, being the market day preceding the date of the Announcement.

As Chen Wei Ping, being one of the Vendors, is a director and Controlling Shareholder of the Company, the proposed acquisition by the Company of the issued and paid up share capital of Huicheng Capital Limited from Chen Wei Ping (as part of the Proposed Acquisition) (the "**IPT Acquisition**") will constitute an "Interested Person Transaction" within Chapter 9 of the Listing Manual.

NRA Capital Pte. Ltd. has been appointed as the independent financial adviser to the Directors Independent of the Proposed Acquisition (the "**IFA**") to opine on whether the IPT Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

2.2 Conditions Precedent to Completion

Completion is conditional upon, *inter alia*, the following conditions being satisfied, or waived by the Vendors or the Company (as the case may be):

(a) the Huicheng Group receiving, in full, the payment of the consideration of RMB229.50 million, from Lesen Capital Limited in relation to the sale of the equity interest of Chongqing Huicheng Aluminium Co., Ltd by Dalian Huicheng Aluminium Co., Ltd. to Lesen Capital Limited[4];

(b) the Shareholders approving the resolution relating to sale by the Vendors and purchase by the Company of the entire issued share capital of the Target;

(c) approval in-principle being granted by the SGX-ST for the listing of and quotation for the Consideration Shares on the SGX-ST having been obtained, and such approval not having been revoked or amended, and if the approval is granted subject to conditions required to be fulfilled on or prior to Completion, the fulfilment of such condition;

(d) the Hong Kong Stock Exchange having granted approval for the listing of, and a permission to deal in, the Consideration Shares to be issued and such approval remaining valid and effective;

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(2) Equivalent to approximately RMB756.0 million based on an exchange rate of RMB4.5455 to SGD1.

(3) Equivalent to approximately RMB444.0 million based on an exchange rate of RMB4.5455 to SGD1.

(4) Dalian Huicheng previously held a 75% equity stake in Chongqing Huicheng Aluminium Co., Ltd which was sold, entirely, to Lesen Capital Limited (an unrelated third party) for a consideration of RMB229.50 million. Completion took place on 31 August 2015 and the consideration of RMB229.50 million for the sale had not been received by Dalian Huicheng as at the date of the S&P Agreement.

(e) the conduct of a due diligence investigation covering, among other things, the business, affairs, operations, assets, liabilities, financial condition and records of the Huicheng Group having been completed and the results of such due diligence investigation being satisfactory to the Company at its sole and absolute discretion;

(f) the warranties as stated in the S&P Agreement remaining true and accurate in all respects and not misleading in any respect as at Completion;

(g) all consents, approvals, permits, authorizations or clearances (as the case may be) that the Company at its discretion considers necessary pursuant to applicable laws, regulations or rules for its execution, implementation and Completion of the S&P Agreement having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Completion; and

(h) all consents, approvals, permits, authorizations or clearances (as the case may be) that the Vendors reasonably consider necessary pursuant to applicable laws, regulations or rules for its execution, implementation and completion of the S&P Agreement having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Completion.

As at the Latest Practicable Date, save for condition (c) above, all the above conditions have yet to be satisfied.

2.3 Consideration and Payment

The Consideration of up to S$264 million comprises the following:

(a) S$166.32 million, being the Initial Consideration, which shall be paid upon the Completion; and

(b) up to S$97.68 million, being the Earn-Out Consideration, which may be payable upon the terms of an earn-out formula being satisfied as described in the S&P Agreement and further described in paragraph 2.4 of this Circular.

The Consideration (being the Initial Consideration and the Earn-out Consideration, if payable), will be satisfied by the allotment and issue to the Vendors of up to 733,333,330 Consideration Shares at the Issue Price of S$0.36 per Consideration Share. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the existing Shares.

The Issue Price of S$0.36 per Consideration Share represents:

(a) a premium of approximately 18.03% to the closing price of S$0.305 per Share as quoted on the SGX-ST on the market day preceding the Announcement;

(b) a premium of approximately 21.48% to the closing price of HK$1.63 per Share as quoted on the SEHK on the market day preceding the Announcement;

(c) a premium of approximately 17.87% to the average closing price of HK$1.68 per Share as quoted on the SEHK for the five consecutive trading days immediately prior to the date of the S&P Agreement;

(d) a premium of approximately 17.87% to the average closing price of HK$1.68 per Share as quoted on the SEHK for the 30 consecutive trading days immediately prior to the date of the S&P Agreement; and

(e) a discount of approximately 34.55% to the unaudited net asset value of the Company attributable to the Shareholders as at 30 September 2015.

The Consideration for the Proposed Acquisition was arrived at on a willing-buyer willing-seller basis, after taking into account, *inter alia*, the current and prospective earnings, operations and financial conditions of the Huicheng Group, the rationale for the Proposed Acquisition (see paragraph 2.10 of this Circular), and the Valuation Report (see paragraph 2.7 of this Circular).

The Initial Consideration of S$166.32 million[(5)] represents a price-to-earnings ratio of approximately 53.40 times using the consolidated net profit attributable to equity holders of the Huicheng Group for the financial year ended 31 December 2014. The Consideration of up to S$264 million[(6)] represents a price-to-earnings ratio of approximately 84.77 times using the consolidated net profit attributable to equity holders of the Huicheng Group for the financial year ended 31 December 2014.

2.4 Earn-Out

The Earn-Out Consideration shall be payable to Chen Wei Ping upon the following target being achieved: consolidated Adjusted Profit after Tax of Dalian Huicheng for the financial year ending 31 December 2016 of at least RMB80 million based on the final consolidated audited profit and loss account of Dalian Huicheng (the "**Earn-Out Target**").

The Adjusted Profit after Tax is the profit after tax after adjustments for non-operating items including, but not restricted, to (i) grants from government or any other parties; (ii) dividend income; or (iii) any other income that is not part of income from operations.

The Earn-Out Consideration shall be payable in the manner set out below:

(i) where the Earn-Out Target of at least RMB80 million based on the final consolidated audited profit and loss account of Dalian Huicheng is met, S$97.68 million (the "**Earn-Out Consideration**") shall be paid to Chen Wei Ping;

(ii) where the Earn-Out Target of at least RMB80 million based on the final consolidated audited profit and loss account of Dalian Huicheng is not met, Chen Wei Ping shall be entitled to a portion of the Earn-Out Consideration calculated as follows:

$$\frac{A}{\text{RMB80 million}} \times \text{Earn-Out Consideration}$$

Where:

A = The consolidated Adjusted Profit after Tax of Dalian Huicheng for the financial year ending 31 December 2016

For the avoidance of doubt, Chen Wei Ping shall not be entitled to any Earn-Out Consideration if there is a consolidated loss after tax to Dalian Huicheng as the Earn-Out Target would not be met.

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(5) Equivalent to approximately RMB756.0 million based on an exchange rate of RMB4.5455 to SGD1.

(6) Equivalent to approximately RMB444.0 million based on an exchange rate of RMB4.5455 to SGD1.

The Earn-Out Consideration (or the portion of the Earn-Out Consideration in the event that the Earn-Out Target is not met) shall be wholly satisfied by the issuance of Consideration Shares.

The Earn-Out Target and Earn-Out Consideration were arrived at after arm's length negotiations between the parties.

The payment of the Earn-Out Consideration is structured to motivate Chen Wei Ping (one of the Vendors) to achieve the Earn-Out Target with a view to ensuring continued performance of the Huicheng Group after Completion.

For reference, the Adjusted Profit/(Loss) after Tax of Dalian Huicheng was RMB(11,657,870) and RMB27,514,004 for FY2014 and the nine months ended 30 September 2015, respectively.

2.5 Chen Wei Ping's Indemnity

Chen Wei Ping has undertaken, pursuant to the S&P Agreement, to pay to the Company, on demand, an amount equal to each loss, liability and cost incurred by the Company and the Huicheng Group, which arises (directly or indirectly) in connection with any of the warranties contained in the S&P Agreement failing to remain true and accurate in all respects and not misleading in any respect as at Completion (including, without limitation, each loss, liability and cost reasonably incurred as a result of defending or settling a claim alleging such a liability).

2.6 Specific mandate

The Consideration Shares will be issued under specific mandate to be sought from the Shareholders at the EGM.

2.7 Valuation of the Huicheng Group

The Company has commissioned Roma Appraisals Limited, the Independent Valuer, to undertake an independent valuation of the Huicheng Group. Based on the Valuation Report on the Huicheng Group prepared by the Independent Valuer as at 31 August 2015 the ("**Valuation Date**"), the valuation of the Huicheng Group was RMB1,269 million[(7)].

The Independent Valuer's valuation was based on going concern premise and conducted on a market value basis. According to the International Valuation Standards established by the International Valuation Standards Council in 2011, market value is defined as "the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In the process of valuing the Huicheng Group, the Independent Valuer took into account the uniqueness of the Huicheng Group's operation and the nature of the aluminium industry in which it participates. Huicheng Group mainly manufactures high-quality and innovative aluminium products which are supplied primarily to aerospace, transportation, marine, automotive, petrochemical, industrial, and semiconductor markets. Also, Huicheng Group has entered into cooperation agreements with universities concerning the research and development of aerospace material technology. Because of these unique features of the Huicheng Group, a market-based approach was not adopted as there are few transactions with similar business and production scale in the market. An asset-based approach was also not adopted as the future earning potential could not be reflected. The Independent Valuer considered the adoption of the income-based approach, which could reflect the future income stream generated by its unique business plan, in arriving at the market value of the Huicheng Group. In calculating the discount rate adopted in the valuation of the

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(7) Equivalent to approximately S$279 million based on an exchange rate of RMB4.5455 to SGD1.

Huicheng Group, the Independent Valuer considered the nature of the aluminium industry, in which the Independent Valuer selected companies which were principally engaged in the aluminium manufacturing industry in the PRC as the comparable companies in determining the beta coefficient of the Huicheng Group.

The key assumptions made by the Independent Valuer in preparing the Valuation Report are as follows:

(i) the weighted average cost of capital of 14.67% was adopted as the discount rate in arriving at the Huicheng Group as at the Valuation Date;

(ii) the management accounts of Dalian Huicheng provided by the Huicheng Group's management as at the Valuation Date was adopted in the valuation;

(iii) the Huicheng Group will be able to operate and develop as planned by the Huicheng Group's management;

(iv) the valuation was mainly based on the projections of the future cash flows as provided by the Huicheng Group's management. The projections outlined in the financial information provided are reasonable, reflecting market conditions and economic fundamentals, and has reasonable opportunity to be materialized;

(v) all relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Huicheng Group operates or intends to operate would be officially obtained and renewable upon expiry;

(vi) there will be sufficient supply of technical staff in the industry in which the Huicheng Group operates, and the Huicheng Group will retain competent management, key personnel and technical staff to support its ongoing operations and developments;

(vii) there will be no major change in the current taxation laws in the localities in which the Huicheng Group operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;

(viii) there will be no major change in the political, legal, economic or financial conditions in the localities in which the Huicheng Group operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Huicheng Group; and

(ix) interest rates and exchange rates in the localities for the operation of the Huicheng Group will not differ materially from those presently prevailing.

In adopting the weighted average cost of capital of 14.67% as the discount rate of the Dalian Huicheng as at the Valuation Date, the Independent Valuer took into account the cost of debt and cost of equity. The cost of debt was determined by the expected borrowing rate of Dalian Huicheng. The cost of equity was determined using the capital asset pricing model, which describes the relationship between the risk of the Dalian Huicheng and expected return to investors.

The Independent Valuer adopted several listed companies with business scopes and operations similar to those of the Dalian Huicheng as comparable companies. The comparable companies were selected mainly with reference to the following selection criteria:

(i) the companies are principally engaged in aluminium industry in China;

(ii) the companies have sufficient listing and operating histories; and

(iii) the financial information of the companies is available to the public.

Key Parameters		As at 31 August 2015, being the Valuation Date
(i)	Risk-free Rate	3.40%
(ii)	Market Expected Return	12.89%
(iii)	Market Risk Premium	9.49%
(iv)	Beta Coefficient	1.07
(v)	Size Premium	3.87%
(vi)	Firm Specific Risk Premium	1.00%
(vii)	Cost of Equity	18.39%
(viii)	Cost of Debt	6.53%
(ix)	Weight of Equity Value to Enterprise Value	72.40%
(x)	Weight of Debt Value to Enterprise Value	27.60%
(xi)	Corporate Tax Rate	25.00%
Weighted Average Cost Of Capital		**14.67%**

Notes:

(i) The risk-free rate adopted was the yield rate of China 10-year government bond as at the Date of Valuation as extracted from Bloomberg.

(ii) The market expected return adopted was the market return in China stock market as at the Date of Valuation as extracted from Bloomberg.

(iii) The market risk premium adopted was the difference between the market expected return and the risk-free rate adopted.

(iv) The beta coefficient adopted was the median adjusted beta of the comparable companies as extracted from Bloomberg.

(v) The size premium adopted was made with reference to the size premium study published by Duff & Phelps, LLC.

(vi) The firm specific risk premium adopted was to reflect the uncertainty in future demand of aluminium coil and sheet.

(vii) The cost of equity was determined based on Capital Asset Pricing Model.

(viii) The cost of debt adopted was the actual borrowing rate of the Dalian Huicheng provided by management.

(ix) The weight of equity value to enterprise value adopted was derived from the median debt-to-equity ratio of the comparable companies as at the Date of Valuation as extracted from Bloomberg.

(x) The weight of debt value to enterprise value adopted was derived from the median debt-to-equity ratio of the comparable companies as at the Date of Valuation as extracted from Bloomberg.

(xi) The corporate tax rate adopted was the corporate tax rate in China.

2.8 Shareholders' Approval

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual ("**Rule 1006**") are as follows:

(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value as at 30 September 2015	**Not applicable**
(b)	The net profits attributable to assets acquired or disposed of, compared with the Group's net profits as at 30 September 2015	**135.75%**(1)

(c)	The aggregate value of the Consideration Shares given as compared with the Company's market capitalisation as at 27 November 2015, being the market day preceding the date of the Announcement	**71.09%**[(2)]
(d)	The number of Consideration Shares compared with the number of Shares previously in issue	**60.23%**[(3)]
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	**Not applicable**

Notes:

(1) The net profits before tax of the Huicheng Group as at 30 September 2015 was RMB62,596,726, while the net profits before tax of the Group as at 30 September 2015 was RMB46,111,000.

(2) The aggregate maximum value of the Consideration Shares given is S$264,000,000 as compared with the Company's market capitalisation of S$371,373,429 as at 27 November 2015, being the market day preceding the date of the Announcement.

(3) The maximum number of Consideration Shares is 733,333,330, while the number of Shares in issue as at the date of the Announcement was 1,217,617,800 (excluding 1,000,000 treasury shares).

The relative figure under Rule 1006(b) exceeds 100%. However, pursuant to Rule 1015(7) of the Listing Manual, as the Proposed Acquisition relates to an acquisition of profitable assets and the only limit breached is Rule 1006(b), Rule 1015 relating to "very substantial acquisitions" does not apply. As the relative figures under Rules 1006(c) and 1006(d) exceed 20.0% and the Proposed Acquisition will not result in a change in control of the Company[(8)], the Proposed Acquisition constitutes a Major Transaction within the meaning of Chapter 10 of the Listing Manual. Accordingly, pursuant to Rule 1014, the Proposed Acquisition is conditional on the approval of Shareholders of the Company at the EGM.

In addition, the issue of the Consideration Shares also requires the approval of Shareholders of the Company at the EGM pursuant to Listing Rule 805(1) of the Listing Manual.

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(8) Chen Wei Ping and Chew Hwa Kwang, Patrick are currently each Controlling Shareholders of the Company as they each individually exercise "control" (defined in the Listing Manual to be the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company) over the Company as:

(i) Chen Wei Ping and Chew Hwa Kwang, Patrick are and have (since the initial public offering of the Company), been the two largest shareholders of the Company. Their respective shareholding interests in the Company have reduced since the initial public offering of the Company as a result of (a) for Chen Wei Ping, a dilution in his shareholding interests resulting from the Company issuing additional shares and also sales of his shareholdings; and (b) for Chew Hwa Kwang, Patrick, a dilution in his shareholding interests resulting from the Company issuing additional shares; and

(ii) Chen Wei Ping and Chew Hwa Kwang, Patrick have been (since the initial public offering of the Company) and are currently the only two executive directors on the Board of the Company, with Chen Wei Ping being the Executive Chairman and Chew Hwa Kwang, Patrick being the Chief Executive Officer.

The Proposed Acquisition will not result in a change in control of the Company as Chen Wei Ping, will continue to be the Controlling Shareholder of the Company subsequent to the Proposed Acquisition.

Please refer to paragraph 2.12 of this Circular for details of the Company's shareholdings before and after the Proposed Acquisition.

Further, under Chapter 9 of the Listing Manual, where a company proposes to enter into a transaction with an Interested Person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same Interested Person during the same financial year) is equal to or exceeds 5.0% of the company's latest audited NTA, shareholders' approval is required in respect of the transaction.

Based on the audited consolidated financial statements of the Group for FY2014, the NTA of the Group was RMB2,997,488,000 as at 31 December 2014. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by the Company with an Interested Person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same Interested Person during the current financial year, equal to or in excess of 5.0%, such a transaction would be subject to Shareholders' approval.

Given the valuation of the Huicheng Group at RMB1,269 million (which is approximately 42.3% of the NTA of the Company as at 31 December 2014) and the Consideration of up to S$264 million (which is approximately 40.0% of the NTA of the Company as at 31 December 2014) and consideration payable to Chen Wei Ping of up to S$97.68 million (which is approximately 14.8% of the NTA of the Company as at 31 December 2014), the value of the IPT Acquisition exceeds the said threshold under Rule 906(1)(a) of the Listing Manual.

As at the Latest Practicable Date, Chen Wei Ping is a Director and Controlling Shareholder. As such, for the purposes of Chapter 9 of the Listing Manual, Chen Wei Ping is an Interested Person and the IPT Acquisition constitutes an Interested Person Transaction.

Please see paragraph 10 of this Circular for further details on abstentions from voting.

2.9 Information on the Huicheng Group

Huicheng Capital is the sole shareholder of Dalian Huicheng, a company based in Dalian, PRC with an employee headcount of more than 250, which specialises in aluminium products.

Dalian Huicheng has a total investment amount of US$300 million, with a registered capital of US$100 million.

Based on Huicheng Capital and Dalian Huicheng's audited financial statements for the financial year ended 31 December 2014 and their unaudited interim financial statements for the nine months ended 30 September 2015, the Huicheng Group's revenue and net profit attributable to equity holders are as follows:

Period	Revenue (RMB'000)	Net profit attributable to equity holders (RMB'000)
FY2014	112,996	14,156
Nine months ended 30 September 2015	275,913	56,338

Set out in the table below are certain key financial information relating to Dalian Huicheng:

	For the financial year ended 31 December (Audited)			For the nine months ended 30 September (Unaudited)
	2012	2013	2014	2015
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Balance Sheet				
Non-current assets	394,378	717,792	870,115	674,188
Current assets	297,305	342,461	223,432	554,649
Total assets	691,683	1,060,253	1,093,547	1,228,837
Non-current liabilities	175,000	315,000	235,000	235,000
Current liabilities	21,432	95,661	200,715	277,562
Total liabilities	196,432	410,661	435,715	512,562
Net current assets	275,873	246,800	22,717	277,087
Shareholders' equity	495,251	649,592	657,832	716,275
Income statement				
Revenue	–	46,036	112,996	275,913
Gross profit	–	9,290	12,347	57,553
Profit/(loss) before tax	(6,197)	30,200	18,816	62,751
Net profit/(loss)	(6,197)	25,598	14,173	56,488

Huicheng Capital has been set up as an investment holding company with a 100% equity interest in Dalian Huicheng as its sole investment and main asset. Its other assets, being cash balances, are immaterial as compared to its investment in Dalian Huicheng. The expenses incurred by Huicheng Capital are recorded against the loans from shareholder(s) and its cash balances, and therefore do not have an impact on the financial statements of Dalian Huicheng. As Huicheng Capital does not have material external liabilities, the consolidated financial statements of Huicheng Capital are primarily represented by the consolidated financial statements of Dalian Huicheng.

2.9.1 Product Introduction

Dalian Huicheng's main products are aluminium alloy stretched plates and hot-rolled aluminium alloy plates and coils.

Dalian Huicheng's products have a broad range of applications, dedicated primarily to the aviation, aerospace, rail transportation, marine, automotive and petrochemical industries. The aluminium products are lightweight, corrosion-resistant, high-strength, easy to process and possess mechanical and physical properties that make it suitable for use in the above-mentioned industries.

In order to produce such highly-precision aluminium products, Dalian Huicheng uses advanced production technology and technical equipment.

2.9.2 Facilities

Dalian Huicheng's operations are carried out in its two plants – the Dalian Stretching Plant and the Luoyang hot-rolling mill.

(i) Dalian Stretching Plant

Dalian Huicheng owns land including rights to two plots of land (amounting to a land area of approximately 332,730 square metres) in the Dengshahe Lingang Industrial Zone, Jinzhou District, Dalian, PRC, where its aluminium stretching plant is situated.

The Dalian Stretching Plant produces aluminium alloy stretched plates. The raw materials for the production of such aluminium alloy stretched plates are hot-rolled aluminium alloy plates. The annual production capacity of this stretched plates plant is 40,000 tonnes.

(ii) Luoyang hot-rolling mill

Dalian Huicheng has, through its branch in Luoyang (Dalian Huicheng Aluminium Co., Ltd Luoyang Hot Rolling Factory (China)), leased the Luoyang hot-rolling mill from Aluminum Corporation of China Henan Aluminum Co, Ltd (中铝河南铝业有限公司). The Luoyang hot-rolling mill is located at the aluminium industrial park at Yichuan County, Luoyang City of Henan Province, PRC.

The term of the lease is for a period of three years from 19 January 2015 to 18 January 2018. The monthly rent for the lease is (i) RMB1.3 million from 19 January 2015 to 18 January 2016; (ii) RMB1.4 million from 19 January 2016 to 18 January 2017; and (iii) RMB1.5 million from 19 January 2017 to 18 January 2018.

The annual production capacity of the Luoyang hot-rolling mill is 200,000 tonnes.

The Luoyang hot-rolling mill produces hot-rolled aluminium alloy plates and hot-rolled aluminium alloy coils with a portion sold to third parties. Most of its hot-rolled aluminium alloy plates are fed to Dalian Stretching Plant as raw materials.

2.9.3 Intellectual Property and Certifications

Dalian Huicheng places emphasis on research and development, and has developed technology relating to the production and processing of aluminium and alloy plates. In protecting such technology, Dalian Huicheng has registered 30 patent certificates and 3 trademark certificates.

Dalian Huicheng also focuses on awareness of quality, environment and safety and aims to achieve sustainable development. As evidence of the company's efforts in this, Dalian Huicheng has obtained the following certifications:

- ISO 9001 Quality Management Certificate;
- ISO 14001 Environment Management System Certificate;
- OHSAS 18001 Occupational Health and Safety Management System Certificate;

- IRIS (International Railway Industry Standard) Certification, which is a globally recognised standard unique to the railway sector for the evaluation of management systems;

- AS9100C Quality Management Systems Certificate issued by the Americas Aerospace Quality Standards Committee, which is a quality management standard for the aviation, space and defence industries;

- GJB9001B-2009 Quality Assurance Certificate of Conformity to GJB Quality Management System Certification;

- certification under the quality assurance system for material manufacturers according to the Pressure Equipment Directive 97/23/EC which certifies that the manufacturer has implemented and applied a quality assurance system which has been assessed based on the Pressure Equipment Directive 97/23/EC; and

- the NADCAP certificate issued by the Nadcap Management Council in accordance with SAE Aerospace Standard AS7003, which demonstrates conformance and recognition of accreditation for heat treating.

2.10 Rationale for the Proposed Acquisition

The Board believes that the Proposed Acquisition offers an opportunity for the Group to acquire a profitable business and further expand its core business, which will enable the Group to strengthen its position in its current market. Following Completion, the Proposed Acquisition will enable the Group to achieve its corporate objectives in the following areas:

(a) *Diversify its range of products and services*

Following the Completion of the Proposed Acquisition, the Group's range of products and services will be expanded to include aluminium alloy stretched plates and hot-rolled aluminium alloy plates and coils in addition to its current aluminium alloy extrusion and cold-rolled plates and sheets product offerings. This will allow the Group to provide a wider range of products and services to its customers and diversify its offerings.

(b) *Expand its customer base and allow it entry into new industries and sectors*

The Group's customer base currently comprises players in the infrastructure and rail transport sectors, with a focus on PRC and major global train manufacturers, while Dalian Huicheng's customer base comprises customers in the aviation, aerospace, rail transportation, marine, automotive and petrochemical industries. It is expected that following the Completion of the Proposed Acquisition, the Group will be able to benefit from cross-selling opportunities, with the Group now having access to and being able to tap on Dalian Huicheng's connections in new industries and sectors.

(c) *Vertical integration so as to achieve synergies*

The Completion of the Proposed Acquisition will allow the Group to harness synergies. The Group's aluminium alloy cold-rolling plant in Liaoyuan City, Jilin Province, PRC, is expected to commence commercial production in 2016. The raw materials used for production in the Group's aluminium alloy cold-rolling plant are hot-rolled aluminium alloy plates and coils, which it currently purchases from third-party suppliers. The

completion of the Proposed Acquisition will allow the Group to achieve synergies as it could potentially source from Dalian Huicheng hot-rolled aluminium alloy plates and coils where it would foreseeably be better positioned to maintain quality controls and standards.

2.11 Financial Effects of the Proposed Acquisition

Shareholders are advised to read this section carefully and to note that the financial effects in this section are proforma in nature and for illustrative purposes only.

The *proforma* financial effects of the Proposed Acquisition on the share capital, earnings, NTA and gearing of the Group in respect of FY2014 have been prepared based on the audited consolidated financial statements of the Group for FY2014 and the audited financial statements of Huicheng Capital and Dalian Huicheng for FY2014.

The following assumptions were made in computing the *pro forma* financial effects:

(a) the maximum Consideration of S$264 million, comprising the Initial Consideration and the Earn-Out Consideration (assuming that the Earn-Out Target is met in full) will be fully satisfied by the allotment and issuance of 733,333,330 Consideration Shares;

(b) the effect of the Proposed Acquisition on the NTA per Share assumes that the Proposed Acquisition had been effected at the end of FY2014; and

(c) the effect of the Proposed Acquisition on the Earnings per Share assumes that the Proposed Acquisition had been effected at the beginning of FY2014.

Given that the *proforma* financial effects presented below are *proforma* in nature and only for illustrative purposes, they do not represent the actual financial position and/or results of the Group immediately after the Completion of the Proposed Acquisition.

The net profits attributable to the Proposed Acquisition are RMB14.2 million, being the net profits attributable to assets acquired for FY2014.

2.11.1 Share Capital

Effects of the Proposed Acquisition	Before the Proposed Acquisition	After the Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration and Earn-out Consideration[2])
Number of Shares ('000)	1,217,618[1]	1,950,951

Notes:

(1) Number of Shares issued as at 31 December 2014 (excluding 1,000,000 treasury shares).

(2) Assuming that the Earn-Out Target is met in full, and including the maximum 733,333,330 new Shares that may be issued pursuant to the Consideration.

2.11.2 NTA per Share

Effects of the Proposed Acquisition	Before the Proposed Acquisition	After the Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration and Earn-out Consideration[2])
NTA (RMB'000)	2,997,488	3,650,066
Issued Shares ('000)	1,217,618[1]	1,950,951[2]
NTA per Share (RMB)	2.46	1.87

Notes:

(1) Number of Shares issued as at 31 December 2014 (excluding 1,000,000 treasury shares).

(2) Assuming that the Earn-Out Target is met in full, and including the maximum 733,333,330 new Shares that may be issued pursuant to the Consideration.

2.11.3 Earnings per Share

Effects of the Proposed Acquisition	Before the Proposed Acquisition	After the Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration and Earn-out Consideration[2])
Net Profit before tax (RMB'000)	55,906	74,705
Distributable Income (RMB'000)	56,348	70,504
Issued Shares ('000)	1,217,618[1]	1,950,951[2]
Earnings per Share (RMB Fen)	4.63	3.61

Notes:

(1) Number of Shares issued as at 31 December 2014 (excluding 1,000,000 treasury shares).

(2) Assuming that the Earn-Out Target is met in full, and including the maximum 733,333,330 new Shares that may be issued pursuant to the Consideration.

2.11.4 Gearing ratios

Effects of the Proposed Acquisition	Before the Proposed Acquisition	After the Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration and Earn-out Consideration[1])
Total borrowings (RMB'000)	3,735,448	4,120,448
Cash and cash equivalents (RMB'000)	1,209,501	1,243,698
Shareholders' funds (RMB'000)	2,997,488	3,650,066
Net gearing (times)	0.84	0.79
Gross gearing (times)	1.25	1.13

Note:

(1) Assuming that the Earn-Out Target is met in full, and including the maximum 733,333,330 new Shares that may be issued pursuant to the Consideration.

2.12 Resultant Shareholdings of the Company

Based on the shareholdings of the Company as at the Latest Practicable Date, taking into consideration the Consideration Shares issued in relation to the Initial Consideration, and taking into consideration the Consideration Shares issued in relation to the Earn-Out Consideration (assuming that the Earn-Out Target is met in full), the Company's shareholdings before and after the Proposed Acquisition are tabulated below:

	As at the Latest Practicable Date				After the Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration)				After the Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration and Earn-out Consideration[1])			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%[2]	Number of Shares	%[2]	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Name of Directors												
Chen Wei Ping	131,405,200	10.79	–	–	131,405,200	7.82	–	–	402,738,533	20.64	–	–
Chew Hwa Kwang, Patrick	121,711,800	10.00	–	–	121,711,800	7.25	–	–	121,711,800	6.24	–	–
Tong Din Eu	749,000	0.06	–	–	749,000	0.04	–	–	749,000	0.04	–	–
Name of Substantial Shareholders												
Chen Wei Ping	131,405,200	10.79	–	–	131,405,200	7.82	–	–	402,738,533	20.64	–	–
Chew Hwa Kwang, Patrick	121,711,800	10.00	–	–	121,711,800	7.25	–	–	121,711,800	6.24	–	–
Name of Vendors												
Chen Wei Ping	131,405,200	10.79	–	–	131,405,200	7.82	–	–	402,738,533	20.64	–	–
Chen Chen	64,000	0.01	–	–	80,730,666	4.81	–	–	80,730,666	4.14	–	–
Tang Tianrui	–	–	–	–	80,666,666	4.80	–	–	80,666,666	4.13	–	–
Yang Tianying	10,000	0.00	–	–	80,676,666	4.80	–	–	80,676,666	4.14	–	–
Yang Xiaoguang	400,000	0.03	–	–	73,733,333	4.39	–	–	73,733,333	3.78	–	–
Tan Poh Kuan Linda	545,400	0.04	–	–	73,878,733	4.40	–	–	73,878,733	3.79	–	–
He Qingzhi	–	–	–	–	73,333,333	4.37	–	–	73,333,333	3.76	–	–

Notes:

(1) Assuming that Earn-Out Target is met in full.

(2) The percentage is based on 1,217,617,800 issued Shares (excluding 1,000,000 treasury shares) of the Company as at the Latest Practicable Date.

2.13 Fund raising activities of the Company in the past twelve months

The Company has not conducted any equity fund raising activities during the past 12 months immediately preceding the Latest Practicable Date.

3. PROPOSED MIDAS PERFORMANCE SHARE PLAN 2016

3.1 Proposed Midas Performance Share Plan 2016

The Company proposes to adopt a share incentive scheme known as the "Midas Performance Share Plan" and hereinafter referred to as the "**Midas Performance Share Plan 2016**" which will be subject to Shareholders' approval at the EGM. A summary of the principal Rules of the Midas Performance Share Plan 2016 is set out in paragraph 3.6 of this Circular.

3.2 The Previous Share Scheme

Previously, the Company had in place a share option scheme, namely, the "Midas Employee Share Option Scheme" (the "**ESOS**"). The ESOS was approved by Shareholders at an extraordinary general meeting held on 6 January 2004. The ESOS expired on 5 January 2014. Save for the ESOS, the Company did not and currently does not have any other employee share scheme or employee share option scheme in place.

As mentioned above, the ESOS has expired. There are no outstanding share options that had been granted under the ESOS.

3.3 Rationale for the proposed Midas Performance Share Plan 2016

The Midas Performance Share Plan 2016 is proposed to increase the Group's effectiveness and flexibility in its continuing efforts to retain, reward and motivate employees to achieve superior performance, through providing incentives for excellent performance and encouraging greater dedication and loyalty to the Company. Through the Midas Performance Share Plan 2016, the Company seeks to motivate key senior management and employees to continue to strive for the Company's long-term shareholder value, by providing an opportunity for them to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long term profitability of the Company and promoting their organisational commitment, dedication and loyalty towards the Company. The Midas Performance Share Plan 2016 will also help to enhance the Group's competitiveness in retaining and attracting talented key senior management and employees.

A Participant's Award under the Midas Performance Share Plan 2016 will be determined at the sole discretion of the Remuneration Committee. In considering an Award to be granted to a Participant, the Remuneration Committee may take into account, *inter alia*, the Participant's performance during the relevant period, and his capability, scope of responsibility and skills set.

The Midas Performance Share Plan 2016 contemplates the award of fully-paid Shares, when and after pre-determined performance and/or service conditions are accomplished. Any performance targets set under the Midas Performance Share Plan 2016 are intended to be based on longer-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. Examples of performance targets to be set aside include targets based on criteria such as total shareholders' return, return on invested capital, economic value added, or on the Company meeting certain specified corporate targets.

The Midas Performance Share Plan 2016 will be administered by the Remuneration Committee, which comprises only Independent Directors, duly authorised and appointed by the Board to administer the Midas Performance Share Plan 2016. A member of the Remuneration Committee will not be involved in the deliberations of the Remuneration Committee in respect of the Awards granted, or to be granted, to him or his associate.

3.4 Participation by Associated Company Employees in the Midas Performance Share Plan 2016

While the Midas Performance Share Plan 2016 caters principally to Group Employees, it is recognised that there may be individuals (such as the Associated Company Employees) who are able to make significant contributions to the Group through their close working relationship with the Group, even though they are not employed within the Group.

Associated Company Employees are expected to work closely with the Group to provide services, knowledge, expertise, assistance and support to the Group on a continuing basis in the development and implementation of business strategies, investments and projects in which the Company or the Group has interests. The extension of the Midas Performance Share Plan 2016 to Associated Company Employees allows the Group to have a fair and equitable system to reward Associated Company Employees who have made and who continue to make significant contributions to the long-term growth of the Group and provides another means of rewarding such persons apart from the usual cash remuneration.

In deciding whether to grant Award(s) to Associated Company Employees, the Company will consider, *inter alia*, the contributions of such individuals to the success and development of the Company and/or the Group before selecting them for participation in the Midas Performance Share Plan 2016. For the purposes of assessing their contributions, the Remuneration Committee may adopt a performance framework which incorporates financial and/or non-financial performance criteria.

3.5 Participation by Non-Executive Group Directors (including Independent Directors) and Non-Executive Associated Company Directors in the Midas Performance Share Plan 2016

It is also intended that Non-Executive Directors will be eligible to participate in the Midas Performance Share Plan 2016. Although the Non-Executive Directors (including Independent Directors) are not involved in the day-to-day running of the Group, they also play an invaluable role in the Group's success by leveraging on their different professions and working backgrounds, bringing to the Company their wealth of knowledge, business expertise and contacts in the business community. They play an important role in helping the Company shape its business strategy by allowing the Company to draw on their diverse backgrounds and working experience. Non-Executive Directors also serve an important function in ensuring good corporate governance of the Group through their appointments as members of the Audit Committee, the Remuneration Committee and Nominating Committee of the Company. It is crucial for the Company to attract and retain these Non-Executive Directors.

The Directors are of the view that including the Non-Executive Directors in the Midas Performance Share Plan 2016 will show the Company's appreciation for, and further motivate them in their contribution towards the success of the Company. However, the Company recognises that their services and contributions cannot be measured in the same way as the full-time employees of the Company.

For the purpose of assessing the contributions of the Non-Executive Directors and the number of Awards to be offered (in accordance with the Midas Performance Share Plan 2016), the Remuneration Committee will take into consideration the nature and extent of their input, assistance and expertise rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the Board.

In order to minimise possible conflicts of interest, and so as not to compromise the objectivity and independence of the Independent Directors, the Independent Directors would continue to be primarily remunerated for their services by way of Directors' fees. There will be no Performance-related Awards granted to such Independent Directors.

Also, as mentioned in paragraph 3.3 of this Circular, when any Award is to be granted to an Independent Director who is a member of the Remuneration Committee (or to his associate), such Independent Director will not be involved in the deliberations of the Remuneration Committee in respect of such proposed grant of Award and shall abstain from any relevant meeting of the Remuneration Committee which considers and/or approves such proposed grant of Award.

It is also envisaged that the Vesting of Awards, and hence the number of Shares to be delivered to the Non-Executive Directors based on the criteria set out above will be relatively small in terms of frequency and numbers. Based on this, the Directors are of the view that the participation by the Independent Directors in the Midas Performance Share Plan 2016 will not compromise their independent status.

3.6 Summary of Rules of the Midas Performance Share Plan 2016

The following is a summary of the principal rules of the Midas Performance Share Plan 2016.

3.6.1 *Eligibility*

The following persons, unless they are also Controlling Shareholders of the Company or Associates of such Controlling Shareholders, shall be eligible to participate in the Midas Performance Share Plan 2016 at the absolute discretion of the Remuneration Committee:

(a) Group Employees whose employment have been confirmed and who have attained the age of 21 years and hold such rank as may be designated by the Remuneration Committee from time to time and who, in the opinion of the Remuneration Committee, have contributed or will contribute to the success of the Group;

(b) Associated Company Employees whose employment have been confirmed and who have attained the age of 21 years and hold such rank as may be designated by the Remuneration Committee from time to time and who, in the opinion of the Remuneration Committee, have contributed or will contribute to the success of the Group;

(c) in respect of the non-Performance-related Awards only, Non-Independent Non-Executive Directors and/or Independent Directors who, in the opinion of the Remuneration Committee, have contributed or will contribute to the success of the Group.

For the avoidance of doubt, Controlling Shareholders of the Company and any Associates of such Controlling Shareholders shall not be eligible to participate in the Midas Performance Share Plan 2016.

3.6.2 *Grant of Awards*

Awards represent the right conferred by the Company on a Participant to be issued or transferred Shares in the Company, free of charge, in accordance with the Midas Performance Share Plan 2016.

Awards or Shares which are allotted and issued or transferred to a Participant pursuant to the grant of an Award shall not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Remuneration Committee.

The Remuneration Committee may determine to make a Release of an Award, wholly or partly, in the form of cash rather than Shares which would otherwise have been Released to the Participant on the relevant Vesting Date, in which event the Company shall pay to the Participant as soon as practicable after such Vesting Date, in lieu of all or part of such Shares, the aggregate Market Value of such Shares on such Vesting Date.

3.6.3 *Participants*

The selection of a Participant and the maximum number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Midas Performance Share Plan 2016 shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account the financial performance of the Group or the relevant Group Company or Associated Company, as the case may be, and in respect of a Participant being a Group Employee or Associated Company Employee, criteria such as his rank, job performance, potential for future development and his contribution to the success and development of the Group. In addition, for Performance-related Awards, the extent of effort required to achieve the Performance Condition within the Performance Period shall also be considered.

3.6.4 *Details of Awards*

The Remuneration Committee shall decide, in relation to an Award:

(a) the Participant;

(b) the Award Date;

(c) the maximum number of Shares which are the subject of the Award;

(d) in the case of a Performance-related Award:

  (i) the Performance Condition;

  (ii) the Performance Period; and

(iii) the extent to which Shares which are the subject of that Award shall be Released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period;

(e) the Vesting Period(s);

(f) the Vesting Date(s);

(g) the Release Schedule; and

(h) any other condition which the Remuneration Committee may determine in relation to that Award.

Awards under the Midas Performance Share Plan 2016 represent the right of a Participant to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, provided that certain prescribed target(s) (if any) (including performance targets in the case of a Performance-related Award) are met and upon the expiry of the Vesting Periods which will be determined by the Remuneration Committee at the Award Date.

As mentioned at paragraph 3.5 of this Circular, while all Non-Executive Directors (including Independent Directors) will be eligible to participate in the Midas Performance Share Plan 2016, the Company recognises that the grant of Awards, which are subject to Performance Conditions, to the Independent Directors may compromise the independence and objectivity of the Independent Directors. As such, no Performance-related Awards will be granted in respect of Independent Directors. For the purpose of assessing the contributions of the Non-Executive Directors and the number of Awards to be offered (in accordance with the Midas Performance Share Plan 2016), the Remuneration Committee will take into consideration the nature and extent of their input, assistance and expertise rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the Board.

3.6.5 ***Events Prior to Vesting***

An Award shall, to the extent not yet Released, immediately lapse and become null and void and a Participant shall have no claim against the Company, the Group and/or the Associated Company:

(a) in the event that an order is made or resolution is passed for the winding-up of the Company on the basis, or by reason, of its insolvency; or

(b) in the event of misconduct on the part of a Participant as determined by the Remuneration Committee in its absolute discretion; or

(c) subject to (b) below, in the event that the Participant who is a Group Employee or an Associated Company Employee ceases at any time to be in the employment of the Group or the relevant Associated Company, as the case may be, for any reason whatsoever; or

(d) in the event that the Remuneration Committee shall, at its sole and absolute discretion, deem it appropriate to revoke or annul such Award on the grounds that any of the objectives of this Plan have not been met.

For the purposes of (c) above, the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice is withdrawn prior to its effective date.

In any of the following events, namely:

(a) the bankruptcy of a Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;

(b) where the Participant being a Group Employee or an Associated Company Employee ceases at any time to be in the employment of the Group or the relevant Associated Company, as the case may be, by reason of:

    (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Remuneration Committee); or

    (ii) redundancy; or

    (iii) retirement at or after the legal retirement age; or

    (iv) retirement before the legal retirement age with the consent of the Remuneration Committee; or

    (v) the company by which he is employed ceasing to be a company within the Group or an Associated Company, as the case may be, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group or to an Associated Company, as the case may be; or

    (vi) (where applicable) his transfer of employment from the Group to an Associated Company or vice versa; or

    (vii) any other event approved by the Remuneration Committee; or

(c) where a Participant, being a Non-Executive Director, ceases to be a director of the Company, the relevant Group company or, as the case may be, the relevant Associated Company, for any reason whatsoever;

(d) the death of a Participant; or

(e) any other event approved by the Remuneration Committee,

an Award then held by that Participant shall, to the extent not yet Released, lapse without any claim whatsoever against the Company, unless otherwise determined by the Remuneration Committee in its absolute discretion. In exercising such discretion, the Remuneration Committee may:

(A) having regard (if applicable) to the proportion of the Vesting Period(s) which has elapsed and, in the case of a Performance-related Award, the extent to which the Performance Condition has been satisfied, determine the number of Shares to be Vested in respect of such Award; or

(B) having regard to all circumstances on a case-by-case basis, allow that Participant to exercise any Award(s) not yet Released in the manner and at the times provided in the rules of the Midas Performance Share Plan 2016.

If before a Vesting Date, any of the following occurs:

(a) a take-over offer for the Shares becomes or is declared unconditional;

(b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by Shareholders of the Company and/or sanctioned by the court under the Companies Act; or

(c) an order being made or a resolution passed for the winding-up of the Company (other than as provided in the rules of the Midas Performance Share Plan 2016 or for amalgamation or reconstruction),

the Remuneration Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Remuneration Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Remuneration Committee will (if applicable) have regard to the proportion of the Vesting Period(s) which has elapsed and, in the case of a Performance-related Award, the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Remuneration Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined in accordance with the rules of the Midas Performance Share Plan 2016. If the Remuneration Committee so determines, the Release of Awards may be satisfied in cash as provided in the rules of the Midas Performance Share Plan 2016.

Without prejudice to any other provision contained in the Rules, in the case of a Performance-related Award, the Remuneration Committee shall have the absolute discretion to waive the full compliance of the Performance Condition on the part of the Participant upon the occurrence of any of the events provided in the rules of the Midas Performance Share Plan 2016. In exercising its discretion, the Remuneration Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant, the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition has been satisfied.

3.6.6 *Limitation on the Size and Duration of the Midas Performance Share Plan 2016*

Subject to the listing rules of the SEHK and the SGX-ST, the maximum number of new Shares which may be issued pursuant to the Awards granted under the Midas Performance Share Plan 2016 shall not, when aggregated with the total number of new Shares issued and issuable in respect of all Awards granted under the Midas Performance Share Plan 2016, exceed such number of Shares as shall represent 15% of the issued share capital of the Company (excluding treasury shares) as at the date on which the Midas Performance Share Plan 2016 is adopted by the Company at the EGM (the "**Plan Mandate Limit**"). Awards lapsed in accordance with the terms of the Midas Performance Share Plan 2016 will not be counted for the purpose of calculating the Plan Mandate Limit.

As at the Latest Practicable Date, 15% of the issued share capital of the Company (excluding treasury shares) amounts to 182,642,670 Shares.

The Company may seek approval by its Shareholders in general meeting for "refreshing" the Plan Mandate Limit. However, the total number of Shares which may be issued upon the Release of all Awards to be granted under the Midas Performance Share Plan 2016 under the limit as "refreshed" must not exceed 15% of the issued share capital of the Company (excluding treasury shares) as at the date of passing the relevant resolution. Awards previously granted under the Midas Performance Share Plan 2016 (including those outstanding, cancelled, lapsed in accordance with the Midas Performance Share Plan 2016 or vested Awards) will not be counted for the purpose of calculating the Plan Mandate Limit as "refreshed".

Additionally, pursuant to the Companies Act, the Directors shall not, without the prior approval of the company in a general meeting, exercise any power of the company to issue shares. Any such approval shall continue in force until (a) the conclusion of the annual general meeting commencing next after the date on which the approval was given; or (b) the expiration of the period within which the next annual general meeting after the date is required by law to be held, whichever is earlier. The Directors may issue Shares notwithstanding that such approval has ceased to be in force if the Shares are issued in pursuance of, *inter alia*, an option made or granted by the Directors while the approval was in force and they were so authorised by the approval to do.

Separately, the total number of new Shares which may be issued or Shares which may be delivered pursuant to Awards granted under the Midas Performance Share Plan 2016, when added to the total number of new Shares issued and issuable or existing Shares delivered and deliverable in respect of: (i) all Awards granted under the Midas Performance Share Plan 2016; and (ii) all Shares, options or awards granted under any other share scheme of the Company then in force, shall not exceed 15% of the issued share capital of the Company (excluding treasury shares) on the day preceding the relevant date of the Award.

Shares which are the subject of Awards which have lapsed for any reason whatsoever and which are not in fact issued to any Participant may be the subject of further Awards granted by the Remuneration Committee under the Midas Performance Share Plan 2016.

The Midas Performance Share Plan 2016 shall continue to be in operation at the discretion of the Remuneration Committee for a maximum period of 10 years commencing on the date on which the Midas Performance Share Plan 2016 is adopted by the Company in a general meeting, provided always that the Midas Performance Share Plan 2016 may, subject to applicable laws and regulations, continue beyond the above stipulated period with the approval of the Shareholders of the Company by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

The expiry or termination of the Midas Performance Share Plan 2016 shall not affect Awards which have been granted to Participants prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) by the Remuneration Committee or not.

The table below is for illustration only and sets out the maximum dilution effect (assuming that the Company issues up to the Plan Mandate Limit) of the Midas Performance Share Plan 2016 on the shareholding structure of the Company:

	As at the Latest Practicable Date		Immediately after the allotment and issue of the maximum number of Shares which may be issued upon the Release of all Awards which may be granted[1]	
	Number of Shares	**%[2]**	**Number of Shares**	**%**
Participants which may be granted Awards and issued Shares pursuant to the Awards	0	0.00	182,642,670	13.04
Other Shareholders	1,217,617,800[2]	100.00	1,217,617,800[2]	86.96
Total	**1,217,617,800[2]**	**100.00**	**1,400,260,470**	**100.00**

Note:

(1) This assumes that no other Shares will be issued between the Latest Practicable Date and the date until all such Shares are issued.

(2) This excludes 1,000,000 treasury shares.

3.6.7 *Operation of the Midas Performance Share Plan 2016*

Subject to the prevailing legislation and any requirement of the SGX-ST, the SEHK or any other stock exchange on which the Shares may for the time being be listed or quoted, the Company will have the flexibility to deliver Shares to Participants upon Vesting of their Awards by way of an issue of new Shares, deemed to be fully paid upon their allotment and issuance, or the delivery of treasury shares. Existing Shares which are held in treasury by the Company may be used for the purpose of Vesting the Awards.

In determining whether to issue new Shares or to deliver existing Shares held in treasury by the Company to Participants on Vesting of their Awards (which shall be determined by the Remuneration Committee on or prior to the Vesting Date), the Company will take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.

The financial effects of the above methods are discussed in paragraph 3.10 of this Circular. The Company has the flexibility, and if the circumstances require, to approve the Release of an Award, wholly or partly, in the form of cash rather than Shares.

The Shares to be issued to Participants upon Vesting of their Awards will be fully paid upon their allotment and issuance. Such Shares allotted and issued on the Release of an Award shall rank in full for all entitlements, including dividends or other distribution declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other aspects rank *pari passu* with other existing Shares then in issue.

The operation of the Midas Performance Share Plan 2016 is subject to the prevailing legislation and any requirements of the SGX-ST (being Chapter 8 of the Listing Manual).

3.6.8 *Treatment under the SEHK Listing Rules*

The Midas Performance Share Plan 2016 does not constitute a share option scheme pursuant to Chapter 17 of the listing rules of the SEHK and is a discretionary share scheme of the Company.

3.7 Adjustments and Modifications of the Midas Performance Share Plan 2016

3.7.1 *Adjustment Events*

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place or if the Company shall make a capital distribution or a declaration of a special dividend (whether in cash or in specie), then the Remuneration Committee may, in its sole discretion, determine whether:

(a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or

(b) the class and/or number of Shares in respect of which future Awards may be granted under the Midas Performance Share Plan,

shall be adjusted in such manner as the Remuneration Committee may determine to be appropriate.

Unless the Remuneration Committee considers an adjustment to be appropriate (subject to no adjustment being made if as a result the Participant receives a benefit that a Shareholder does not receive), the following events shall not normally be regarded as a circumstance requiring adjustment:

(i) the issue of securities by the Company as consideration for an acquisition or a private placement of securities; or

(ii) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST, the SEHK or such other stock exchange on which the Shares may for the time being be listed or quoted during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force; or

(iii) the issue of securities by the Company upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants.

Any determination by the Remuneration Committee to make any adjustment and the manner in which such adjustment should be made, must (except in relation to a capitalisation issue) be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Notwithstanding the above or that no adjustment is required under the provisions of the Plan, the Remuneration Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made to any of the matters referred to above notwithstanding that no adjustment is required under the said provisions (as the case may be), request the auditors of the Company to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such auditors of the Company (acting only as experts and not as arbitrators) to be in their opinion appropriate.

Notwithstanding the above, no adjustment shall be made if as a result the Participant receives a benefit that a Shareholder does not receive.

As at the date of this Circular, Chen Wei Ping and Chew Hwa Kwang, Patrick are currently each Controlling Shareholders of the Company. For further details, please refer to footnote 8 on page 16 of this Circular.

3.7.2 ***Modifications***

Any or all the provisions of the Midas Performance Share Plan 2016 may be modified and/or altered from time to time by a resolution of the Remuneration Committee, except that:

(a) no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the prior written consent of such number of Participants under the Midas Performance Share Plan 2016 who, if their Awards were Released to them upon the expiry of all the Vesting Periods applicable to their Awards, would be entitled to not less than 75.0% of the aggregate number of all the Shares which would fall to be Vested upon Release of all outstanding Awards under the Midas Performance Share Plan 2016 upon the expiry of all the Vesting Periods applicable to all outstanding Awards;

(b) no alteration shall be made to particular definitions and rules of the Midas Performance Share Plan 2016 to the advantage of Participants except with the prior approval of Shareholders in general meeting; and

(c) no modification or alteration shall be made without due compliance with the Listing Manual, the listing rules of the SEHK and the prior approval of the SGX-ST and such other regulatory authorities (including any stock exchange on which the Shares may for the time being be listed or quoted) as may be necessary.

Additionally, the Remuneration Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST, the SEHK and/or the Shareholders in general meeting (if required), amend or alter the rules or provisions of the Midas Performance Share Plan 2016 in any way to the extent necessary to cause the Midas Performance Share Plan 2016 to comply with any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Companies Act) or the regulations of any regulatory or other relevant authority or body (including the SGX-ST and the SEHK, if required).

3.8 Disclosures in Annual Reports

The Company shall make the following disclosures (as applicable) in its annual report to Shareholders for the duration of the Midas Performance Share Plan 2016 and as from time to time required by the Listing Manual:

(a) the names of the members of the Remuneration Committee administering the Midas Performance Share Plan 2016;

(b) in respect of the following Participants:

(i) Directors of the Company; and

(ii) Participants, other than those in paragraph (i) above, who have been granted Awards under the Midas Performance Share Plan 2016 and/or who have received Shares pursuant to the Release of Awards granted under the Midas Performance Share Plan 2016 which, in aggregate, represent 5% or more of the aggregate of:

(1) total number of new Shares available under the Midas Performance Share Plan 2016; and

(2) the total number of existing Shares delivered pursuant to Awards Released under the Midas Performance Share Plan 2016,

the following information:

(aa) the name of the Participant;

(bb) the following particulars relating to Shares delivered pursuant to Awards Released under the Midas Performance Share Plan 2016:

(i) the number of new Shares issued to such Participant during the financial year under review; and

(ii) the number of existing Shares transferred to such Participant during the financial year under review; and

(cc) the information set out in paragraphs (c)(i), (c)(ii) and (c)(iii) below in relation to such Participant; and

(c) in relation to the Midas Performance Share Plan 2016, the following particulars:

(i) the aggregate number of Shares comprised in Awards which have Vested since the commencement of the Midas Performance Share Plan 2016 to the end of the financial year under review;

(ii) the aggregate number of Shares comprised in Awards which have Vested since the commencement of the Midas Performance Share Plan 2016 to the end of the financial year under review and in respect of such Awards, the proportion of:

(1) new Shares issued; and

(2) where applicable, existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,

upon the Release of Vested Awards granted under the Midas Performance Share Plan 2016;

(iii) the aggregate number of Shares comprised in Awards granted under the Midas Performance Share Plan 2016 which have not been Released as at the end of the financial year under review;

(iv) the aggregate number and percentage of the remaining Shares comprised in Awards which may be granted under the Midas Performance Share Plan 2016;

(v) the maximum dilution effect of the Midas Performance Share Plan 2016 on the shareholding structure of the Company;

(vi) the accounting treatment of the Midas Performance Share Plan 2016;

(vii) the impact of employee cost of the Company if the Shares were issued at fair value; and

(d) such other information as may be required by the Listing Manual or the Companies Act.

3.9 Role and Composition of the Remuneration Committee

The Remuneration Committee will be designated as the committee responsible for the administration of the Midas Performance Share Plan 2016. The Remuneration Committee currently comprises Chan Soo Sen, Tong Din Eu and Xu Wei Dong, all Independent Directors of the Company. In compliance with the requirements of the Listing Manual, a Participant of the Midas Performance Share Plan 2016 who is a member of the Remuneration Committee shall not be involved in any deliberation or decision in respect of Awards granted or to be granted to or held by that member of the Remuneration Committee or his Associate.

3.10 Financial Effects of the Midas Performance Share Plan 2016

Shareholders are advised to read this section carefully and to note that the financial effects in this section are proforma in nature and for illustrative purposes only.

The financial effects of the Company granting Awards under the Midas Performance Share Plan are as follows:

3.10.1 *Cost of Awards*

Financial Reporting Standard 102 ("**FRS 102**") relating to share-based payments takes effect for all listed companies beginning 1 January 2005. Participants will receive Shares in settlement of the Awards and the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognized as a charge to profit or loss over the period between the Award Date and the Vesting Date of an Award. For Awards, the total amount of charge over the Vesting Period is determined by reference to the fair value of each Award granted at the Award Date and the number of Shares Vested at the Vesting Date, with a corresponding credit to reserve account. Before the end of the Vesting Period, at each accounting year end, the estimate of the number of Awards that are expected to Vest by the Vesting Date is revised, and the impact of the revised estimate is recognized in profit or loss with a corresponding adjustment to the reserve account. After the Vesting Date, no adjustment to the charge to profit or loss is made.

The amount charged to profit or loss also depends on whether or not the Performance Condition attached to an Award is measured by reference to the market price of the Shares. This is known as a market condition. If the Performance Condition is a market condition, the probability of the Performance Condition being met is taken into account in estimating the fair value of the Award granted at the grant date, and no adjustments to the amounts charged to profit or loss are made whether or not the market condition is met. However, if the Performance Condition is not a market condition, the fair value per Share of the Awards granted at the grant date is used to compute the amount to be charged to profit or loss at each accounting date, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to Vest. Thus, where the Vesting conditions do not include a market condition, there would be no cumulative charge to profit or loss if the Awards do not ultimately Vest.

3.10.2 *Share Capital*

The Midas Performance Share Plan 2016 will result in an increase in the Company's issued share capital only if the new Shares are issued to Participants. The number of new Shares issued will depend on, *inter alia*, the size of the Awards granted, and the prevailing market price of the Shares on the SGX-ST, the SEHK or such other stock exchange on which the Shares may for the time being be listed or quoted. However, if existing Shares are purchased for delivery to Participants or if treasury shares are transferred and delivered to Participants in lieu of issuing new Shares, the Midas Performance Share Plan 2016 will have no impact on our Company's issued share capital.

3.10.3 *NTA*

The proposed Midas Performance Share Plan 2016 is likely to result in a charge to the Company's profit or loss over the period from the Award Date to the Vesting Date for the Awards. The amount of the charge will be computed in accordance with FRS102. When new Shares are issued under the Midas Performance Share Plan 2016, there would be no effect on the NTA. However, if instead of issuing new Shares to the Participants under the Midas Performance Share Plan 2016, existing Shares are purchased for delivery to Participants, the NTA would be impacted by the cost of the Shares purchased.

It should be noted that the delivery of Shares to Participants under the proposed Midas Performance Share Plan 2016 will generally be contingent upon the Participants meeting prescribed Performance Conditions and/or service conditions or being recognized as having performed and made contributions to the Group or such other conditions, if any.

3.10.4 *EPS*

The Midas Performance Share Plan 2016 is likely to result in a charge to the Company's profit or loss over the period from the Award Date to the Vesting Date of the Awards. The amount of the charge will be computed in accordance with FRS 102.

It should again be noted that the delivery of Shares to Participants under the proposed Midas Performance Share Plan 2016 will generally be contingent upon the Participants meeting prescribed Performance Conditions and/or service conditions or being recognized as having performed and made contributions to the Group or such other conditions, if any.

3.10.5 *Dilutive Impact*

It is expected that any dilutive impact of the Midas Performance Share Plan 2016 on the NTA and EPS would not be significant.

4. LISTING OF THE SHARES

4.1 Approval in-principle from the SGX-ST

On 17 March 2016, the SGX-ST approved in-principle the listing and quotation of the Consideration Shares, subject to, *inter alia*, the following conditions:

(a) compliance with the SGX-ST's listing requirements and guidelines;

(b) independent shareholders' approval being obtained.

On 17 March 2016, the SGX-ST approved in-principle the listing and quotation of the new Shares to be allotted and issued pursuant to the proposed Midas Performance Share Plan 2016, subject to, *inter alia*, the following conditions:

(a) compliance with the SGX-ST's listing requirements and guidelines;

(b) independent shareholders' approval being obtained for the adoption of the proposed Midas Performance Share Plan 2016.

Such approval is not to be taken as an indication of the merits of the Proposed Acquisition, the Midas Performance Share Plan 2016, the Consideration Shares, the Shares, the Company and/or its subsidiaries.

4.2 Application for listing on the SEHK

Application will be made by the Company to the SEHK for the listing of, and permission to deal in, the Consideration Shares and the Shares which are allotted and issued or transferred to a Participant pursuant to the grant of an Award under the Midas Performance Share Plan 2016.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Please refer to paragraph 2.12 of this Circular for details of the shareholdings of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, Chen Wei Ping is a Director and Controlling Shareholder of the Company. Accordingly, the IPT Acquisition constitute an "Interested Person Transaction" pursuant to Chapter 9 of the Listing Manual.

Save as disclosed above and based on information available to the Company as at the Latest Practicable Date, none of the Directors or the Controlling Shareholders has an interest, direct or indirect, in the Proposed Acquisition.

6. INDEPENDENT FINANCIAL ADVISER'S OPINION

Pursuant to Chapter 9 of the Listing Manual, NRA Capital Pte. Ltd. has been appointed as the IFA to the Directors Independent of the Proposed Acquisition to render an opinion as to whether the IPT Acquisition is on normal commercial terms and is not prejudicial to the interests of Company and its minority shareholders. A copy of the letter from the IFA to the Directors Independent of the Proposed Acquisition (the "**IFA Letter**"), containing its advice in full, is set out in **Appendix A** of this Circular and Shareholders are advised to read the IFA Letter carefully.

Having considered the factors and the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the IPT Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

7. AUDIT COMMITTEE'S STATEMENT

The Company's audit committee comprising, Chan Soo Sen, Xu Wei Dong and Tong Din Eu, having considered the terms of the IPT Acquisition and the IFA Letter, are of the view that the IPT Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

8. DIRECTORS' RECOMMENDATION

8.1 Proposed Acquisition

Chen Wei Ping is deemed to be interested in the Proposed Acquisition and has therefore abstained from making any recommendation on the Proposed Acquisition.

Having considered the opinion of the IFA (as set out in the IFA Letter in **Appendix A** of this Circular) in relation to the IPT Acquisition and the rationale and benefits for the Proposed Acquisition as set out in paragraph 2.10 of this Circular, the Directors of the Company (save for Chen Wei Ping) are of the opinion that the Proposed Acquisition is in the interests of Company. Accordingly, they recommend that Shareholders **vote in favour** of Ordinary Resolution 1 set out in the Notice of EGM contained in this Circular.

8.2 Proposed allotment and issuance of up to 733,333,330 Consideration Shares in the capital of the Company under specific mandate for the Proposed Acquisition

Having considered the opinion of the IFA (as set out in the IFA Letter in **Appendix A** of this Circular) in relation to the IPT Acquisition and the rationale and benefits for the proposed allotment and issuance of the Consideration Shares under specific mandate as set out in paragraph 2.6 of this Circular, the Directors of the Company (save for Chen Wei Ping) are of the opinion that the proposed allotment and issuance of the Consideration Shares under specific mandate is in the interests of Company. Accordingly, they recommend that Shareholders **vote in favour** of Ordinary Resolution 2 set out in the Notice of EGM contained in this Circular.

8.3 Midas Performance Share Plan 2016

All the Directors (save for Chen Wei Ping and Chew Hwa Kwang, Patrick, who are currently Controlling Shareholders of the Company) are eligible to participate in, and are therefore interested in, the Midas Performance Share Plan 2016. Accordingly, the Directors (save for Chen Wei Ping and Chew Hwa Kwang, Patrick, who are currently Controlling Shareholders of the Company) have refrained from making any recommendation on the Midas Performance Share Plan 2016.

Having considered the rationale and benefits for the adoption of the Midas Performance Share Plan 2016, Chen Wei Ping and Chew Hwa Kwang, Patrick are of the opinion that the proposed adoption of the Midas Performance Share Plan 2016 is in the interests of Company. Accordingly, Chen Wei Ping and Chew Hwa Kwang, Patrick recommend that Shareholders **vote in favour** of Ordinary Resolution 3 set out in the Notice of EGM contained in this Circular.

9. EXTRAORDINARY GENERAL MEETING

The EGM will be held on 29 April 2016 at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 9.00 a.m. on the same day and at the same venue) at SAFRA Mount Faber, 2 Telok Blangah Way, Crystal Room 1-3, Singapore 098803, for the purpose of considering and, if thought fit, passing with or without modification, the resolution set out in the Notice of EGM, which is set out on page 75 of this Circular.

10. ABSTENTIONS FROM VOTING

10.1 Proposed Acquisition and proposed allotment and issuance of up to 733,333,330 Consideration Shares in the capital of the Company under specific mandate for the Proposed Acquisition

Chen Wei Ping, who is deemed to be interested in the Proposed Acquisition shall abstain from voting on Ordinary Resolutions 1 and 2 as set out in the Notice of EGM at the EGM and will also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of Ordinary Resolutions 1 and 2 unless the Shareholder appointing him indicates clearly how votes are to be cast in respect of Ordinary Resolutions 1 and 2.

Chen Wei Ping has also procured that his associates will abstain from voting on Ordinary Resolutions 1 and 2 at the EGM.

10.2 Midas Performance Share Plan 2016

All Shareholders who are eligible to participate in the Midas Performance Share Plan 2016 shall abstain from voting in respect of Ordinary Resolution 3 as set out in the Notice of EGM at the EGM.

All the Directors (save for Chen Wei Ping and Chew Hwa Kwang, Patrick, who are currently Controlling Shareholders of the Company) are eligible to participate in the Midas Performance Share Plan 2016. Accordingly, the Directors who are Shareholders and are eligible to participate in the Midas Performance Share Plan 2016 shall, in addition to abstaining from voting in respect of Ordinary Resolution 3 as set out in the Notice of EGM at the EGM, also not accept nominations to act as proxy, corporate representative or attorney to vote in respect of Ordinary Resolution 3 unless the Shareholder appointing him/them indicates clearly how votes are to be cast in respect of Ordinary Resolution 3.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM may appoint a proxy/proxies to attend and vote at the EGM on their behalf by completing, signing and returning the Proxy Form attached to this Circular, in accordance with the instructions printed thereon as soon as possible and, in an event, so as to arrive at the registered office of the Company at 4 Shenton Way, #18-03 SGX Centre 2, Singapore 068807 (for Singapore Shareholders), or at the Hong Kong share registrar of the Company, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong (for Hong Kong Shareholders) not less than forty-eight hours (48) hours before the time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder will not preclude him from attending and voting in person at the EGM in place of his proxy if he wishes to do so.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Company's Register as at 48 hours before the time fixed for the EGM.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition and Proposed Adoption of the Midas Performance Share Plan 2016 by the Company, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the SEHK for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.

Where information in the Circular has been extracted from published or reproduced or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information is accurately and correctly extracted from these sources, and/or reproduced in this Circular in its proper form and context.

13. CONSENTS

The IFA (being NRA Capital Pte. Ltd.), has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and all references thereto, and (ii) the IFA Letter as reproduced in Appendix A to this Circular, in the form and context in which they are included in this Circular.

The Independent Valuer (being Roma Appraisals Limited), has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and all references thereto, and (ii) all references to the Valuation Report, in the form and context in which they are included in this Circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at (i) the registered office of the Company at 4 Shenton Way, #18-03 SGX Centre 2, Singapore 068807; and (ii) the Company's principal place of business in Hong Kong at 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong for a period of three months from the date of this Circular:

(a) the S&P agreement;

(b) the Constitution of the Company;

(c) the proposed Rules of the Midas Performance Share Plan 2016;

(d) the IFA Letter;

(e) the written consent of the IFA;

(f) the Valuation Report; and

(g) the written consent of the Independent Valuer.

Yours faithfully
For and on behalf of the Board
MIDAS HOLDINGS LIMITED

Chew Hwa Kwang, Patrick
Chief Executive Officer

INDEPENDENT FINANCIAL ADVISER'S LETTER

LETTER FROM NRA CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF MIDAS HOLDINGS LIMITED

30 March 2016

The Independent Directors
Midas Holdings Limited
4 Shenton Way
SGX Centre 2 #18-03
Singapore 068807

Dear Sirs

THE PROPOSED ACQUISITION BY THE COMPANY OF THE ENTIRE ISSUED SHARE CAPITAL OF HUICHENG CAPITAL LIMITED FOR A CONSIDERATION OF UP TO S$264 MILLION AS AN INTERESTED PERSON TRANSACTION

Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 30 March 2016 issued by the Company to its shareholders (the "Circular") shall have the same meanings herein.

1. INTRODUCTION

1.1 On 30 November 2015, the Company announced (the "Announcement") that it proposes to acquire the entire issued share capital of Huicheng Capital Limited (the "Target" or "Huicheng Capital") from Chen Wei Ping, Chen Chen, Tang Tianrui, Yang Tianying, Yang Xiaoguang, Tan Poh Kuan Linda and He Qingzhi (the "Vendors") for an aggregate consideration of up to S$264 million (the "Consideration") (the "Proposed Acquisition"). On the same date, the Company also entered into a conditional sale and purchase agreement (the "S&P Agreement") with the Vendors, pursuant to which the Company has agreed to acquire the entire issued share capital of the Target from the Vendors for the Consideration. Upon the completion of the Proposed Acquisition (the "Completion"), the Target will become a wholly-owned subsidiary of the Company.

As Mr. Chen Wei Ping, one of the Vendors, is a director and Controlling Shareholder of the Company, the Proposed Acquisition will constitute an "Interested Person Transaction" within Chapter 9 of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual. Pursuant to Rule 906(1)(a) of the SGX-ST Listing Manual, the Company is required to obtain the approval of the shareholders of the Company (the "Shareholders") for any interested person transaction of a value equal to or more than 5% of the latest audited net tangible assets ("NTA") of the Company, its subsidiaries and its associated companies (collectively, the "Group"). As the Consideration and the value of Mr. Chen Wei Ping's stake in the Target exceeds the 5% of the Group's latest audited NTA as at the date of the S&P Agreement, the Company will be seeking the approval of Shareholders who are independent (the "independent Shareholders") for the purposes of the Proposed Acquisition in respect of Mr. Chen Wei Ping's stake (the "IPT Acquisition") at the extraordinary general meeting to be convened (the "EGM").

Accordingly, NRA Capital Pte. Ltd. ("NRA Capital") has been appointed as the independent financial adviser to the Independent Directors (as defined below) to provide an opinion on whether the IPT Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its Independent Shareholders. This letter (the "Letter") sets out, *inter alia*, our evaluation and assessment of the IPT Acquisition and our recommendation thereon, and forms part of the Circular providing, *inter alia*, the details of the Proposed Acquisition and the recommendation of the Independent Directors (as defined below) in respect thereof.

2. TERMS OF REFERENCE

The directors that are deemed independent for the purposes of providing a recommendation(s) on the Proposed Acquisition to Independent Shareholders (the "Independent Directors") have appointed NRA Capital to advise them on whether the IPT Acquisition is on normal commercial terms and is not prejudicial to the interest of the Company and its Independent Shareholders.

We were not privy to the negotiations in relation to the Proposed Acquisition. We do not, by this Letter, make any representation or warrant the merits of the Proposed Acquisition. We have not been requested to, and we do not express an opinion on the relative merits of the Proposed Acquisition as compared to any other alternative transactions that may be contemplated.

In the course of our evaluation, we have relied on publicly available information collated by us as well as information provided and representations made, both written and verbal, by the Directors, the management of the Company (the "Management") and the professional advisers of the Company. We have not independently verified such information or representations, whether written or verbal, and therefore cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. However, we have made such enquiries and exercised our judgment, as we deemed necessary and have found no reason to doubt the accuracy or reliability of such information and representations.

We have relied upon the assurances of the Directors and the Management that, upon making all reasonable enquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Proposed Acquisition, the Group has been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company or the Group to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

In evaluating the Proposed Acquisition and in arriving at our opinion thereon, we are not required to express and we do not express any view on the growth prospects and earnings potential of the Company or the Group or the Target in connection with our opinion herein. Accordingly, we do not express any view as to the prices at which the ordinary shares in the capital of the Company ("Shares") may trade upon completion of the Proposed Acquisition or on the future financial performances of the Group after the completion of the Proposed Acquisition.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company or the Group or the Target (including without limitation, property, plant and equipment) and, have made reference to the information provided to us. With respect to such valuation reports, we are not experts in the evaluation or appraisal of the assets concerned and we have made reference to these summary valuation reports for such assets appraisal and have not made any independent verification of the contents thereof.

Our opinion as set out in this letter is based upon market, economic, industry, monetary and other conditions prevailing as at 17 March 2016 (the "Latest Practicable Date"), and the information provided and representations made available to us as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to their consideration which may be released by the Company after the Latest Practicable Date.

In rendering our opinion, we have not considered the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment profiles and objectives, we recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio or objectives should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this 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 Circular (other than this Letter). Accordingly we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this Letter).

Our opinion is addressed to the Independent Directors for their benefit and deliberation of the Proposed Acquisition and the IPT Acquisition. The recommendations made by them shall remain the responsibility of the Independent Directors. Our recommendation to the Independent Directors in relation to the IPT Acquisition should be considered in the context of the entirety of this Letter and the Circular.

3. THE PROPOSED ACQUISITION

3.1 Consideration

The Consideration of up to S$264 million comprises the following:

(i) the payment of an aggregate of S$166.32 million to the Vendors, save for Mr. Chen Wei Ping, which shall be wholly satisfied by the issuance of 461,999,997 Shares to be allotted and issued at a price of S$0.36 per Share (the "Issue Price") (the "Initial Consideration Shares").

The Initial Consideration Shares shall be paid upon the Completion; and

(ii) the payment of up to S$97.68 million to Mr. Chen Wei Ping (the "Earn-Out Consideration"), which shall be wholly satisfied by the issuance of up to 271,333,333 Shares to be allotted and issued at the Issue Price (the "Earn-out Consideration Shares").

The Earn-out Consideration Shares shall be payable upon the terms of an earn-out formula being satisfied and further conditions as described in the S&P Agreement.

The Issue Price of S$0.36 per Initial Consideration Share and Earn-out Consideration Share (the "Consideration Shares"), is at a premium of 17.80% over the volume weighted average price of S$0.3056 per Share on 27 November 2015, being the market day preceding the date of the Announcement. The Consideration Shares will be issued under specific mandate to be sought from the Shareholders at the EGM.

The Consideration for the Proposed Acquisition was arrived at a willing-buyer, willing-seller basis, after taking into account, *inter alia*, the current and prospective earnings, operations and financial conditions of Huicheng Capital and its subsidiaries ("Huicheng Group"), as well as the rationale for the Proposed Acquisition and the independent valuation of the Huicheng Group provided by Roma Appraisals Limited (the "Independent Valuer").

3.2 Independent valuation

In connection with the Proposed Acquisition, the Company has commissioned the Independent Valuer to conduct an independent valuation of Huicheng Group (the "Independent Valuation Report").

In arriving at the market value of the equity interests of Huicheng Capital as at 31 August 2015, the Independent Valuer has considered three (3) generally accepted approaches, namely income-based approach (using discounted cash flow method), market-based approach (prices at which other business entities in a similar nature changed hands in arm's length transactions) and asset-based approach (invested capital or the value of equity and debt) and its valuation is based, *inter alia*, on various assumptions with respect to Huicheng Group, including its financial condition, relevant licenses and agreements and the environment in which Huicheng Group will operate in the future.

Based on the valuation of the Independent Valuer, the valuation methodology as set out in the Independent Valuation Report, and subject to the assumptions set out therein, the indicative equity value of Huicheng Capital as at 31 August 2015 was RMB1.269 billion. The Independent Valuer conducted a sensitivity analysis on the market value of Huicheng Capital in respect of deviation in the discount rate from the status quo. A range of approximately RMB1.021 billion to RMB1.623 billion was arrived in respect to a 2% absolute change in the discount rate.

The Independent Valuation Report is a Document Available for Inspection at the Company's office and Shareholders are advised to read the information contained therein carefully.

3.3 Conditions precedent to Completion

(As extracted from the Circular under section 2.2)

"*Completion is conditional upon, inter alia, the following conditions being satisfied, or waived by the Vendors or the Company (as the case may be):*

(a) the Huicheng Group receiving, in full, the payment of the consideration of RMB229.50 million, from Lesen Capital Limited in relation to the sale of the equity interest of Chongqing Huicheng Aluminium Co., Ltd by Dalian Huicheng Aluminium Co., Ltd. to Lesen Capital Limited[(4)];

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4 *Dalian Huicheng previously held a 75% equity stake in Chongqing Huicheng Aluminium Co., Ltd which was sold, entirely, to Lesen Capital Limited (an unrelated third party) for a consideration of RMB229.50 million. Completion took place on 31 August 2015 and the consideration of RM229.50 million for the sale had not been received by Dalian Huicheng as at the date of the S&P Agreement.*

(b) the Shareholders approving the resolution relating to sale by the Vendors and purchase by the Company of the entire issued share capital of the Target;

(c) approval in-principle being granted by the SGX-ST for the listing of and quotation for the Consideration Shares on the SGX-ST having been obtained, and such approval not having been revoked or amended, and if the approval is granted subject to conditions required to be fulfilled on or prior to Completion, the fulfilment of such condition;

(d) the Hong Kong Stock Exchange having granted approval for the listing of, and a permission to deal in, the Consideration Shares to be issued and such approval remaining valid and effective;

(e) the conduct of a due diligence investigation covering, among other things, the business, affairs, operations, assets, liabilities, financial condition and records of the Huicheng Group having been completed and the results of such due diligence investigation being satisfactory to the Company at its sole and absolute discretion;

(f) the warranties as stated in the S&P Agreement remaining true and accurate in all respects and not misleading in any respect as at Completion;

(g) all consents, approvals, permits, authorizations or clearances (as the case may be) that the Company at its discretion considers necessary pursuant to applicable laws, regulations or rules for its execution, implementation and Completion of the S&P Agreement having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Completion; and

(h) all consents, approvals, permits, authorizations or clearances (as the case may be) that the Vendors reasonably consider necessary pursuant to applicable laws, regulations or rules for its execution, implementation and completion of the S&P Agreement having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Completion."

3.4 Details of the Proposed Acquisition

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

4. INFORMATION ON THE VENDORS AND HUICHENG GROUP

The Target and Huicheng Group

Huicheng Capital is a special purpose vehicle incorporated in Hong Kong with the purpose of serving as an investment holding company. As at the Latest Practicable Date, Huicheng Capital does not have any business operations (other than as a holding company of shares) and does not own any real property, is not a party to any lease over any real property and does not own any intellectual property, and is not a party to an intellectual property licence.

In addition, the following information on Huicheng Capital has been extracted from the relevant section of the Circular and set out as follows:

(As extracted from the Circular under section 2.9)

"*Huicheng Capital is the sole shareholder of Dalian Huicheng, a company based in Dalian, PRC with an employee headcount of more than 250, which specialises in aluminium products.*

Dalian Huicheng has a total investment amount of US$300 million, with a registered capital of US$100 million.

Based on Huicheng Capital and Dalian Huicheng's audited financial statements for the financial year ended 31 December 2014 and their unaudited interim financial statements for the nine months ended 30 September 2015, the Huicheng Group's revenue and net profit attributable to equity holders are as follows:

Period	***Revenue (RMB'000)***	***Net profit attributable to equity holders (RMB'000)***
FY2014	*112,996*	*14,156*
Nine months ended 30 September 2015	*275,913*	*56,338*

2.9.1 Product Introduction

Dalian Huicheng's main products are aluminium alloy stretched plates and hot-rolled aluminium alloy plates and coils.

Dalian Huicheng's products have a broad range of applications, dedicated primarily to the aviation, aerospace, rail transportation, marine, automotive and petrochemical industries. The aluminium products are lightweight, corrosion-resistant, high-strength, easy to process and possess mechanical and physical properties that make it suitable for use in the above-mentioned industries.

In order to produce such highly-precision aluminium products, Dalian Huicheng uses advanced production technology and technical equipment.

2.9.2 Facilities

Dalian Huicheng's operations are carried out in its two plants – the Dalian Stretching Plant and the Luoyang hot-rolling mill.

(i) Dalian Stretching Plant

Dalian Huicheng owns land including rights to two plots of land (amounting to a land area of approximately 332,730 square metres) in the Dengshahe Lingang Industrial Zone, Jinzhou District, Dalian, PRC, where its aluminium stretching plant is situated.

The Dalian Stretching Plant produces aluminium alloy stretched plates. The raw materials for the production of such aluminium alloy stretched plates are hot-rolled aluminium alloy plates. The annual production capacity of this stretched plates plant is 40,000 tonnes.

(ii) Luoyang hot-rolling mill

Dalian Huicheng has, through its branch in Luoyang (Dalian Huicheng Aluminium Co., Ltd Luoyang Hot Rolling Factory (China)), leased the Luoyang hot-rolling mill from Aluminum Corporation of China Henan Aluminum Co, Ltd (中鋁河南鋁業有限公司). The Luoyang hot-rolling mill is located at the aluminium industrial park at Yichuan County, Luoyang City of Henan Province, PRC.

The term of the lease is for a period of three years from 19 January 2015 to 18 January 2018. The monthly rent for the lease is (i) RMB1.3 million from 19 January 2015 to 18 January 2016; (ii) RMB1.4 million from 19 January 2016 to 18 January 2017; and (iii) RMB1.5 million from 19 January 2017 to 18 January 2018.

The annual production capacity of the Luoyang hot-rolling mill is 200,000 tonnes.

The Luoyang hot-rolling mill produces hot-rolled aluminium alloy plates and hot-rolled aluminium alloy coils with a portion sold to third parties. Most of its hot-rolled aluminium alloy plates are fed to Dalian Stretching Plant as raw materials.

2.9.3 Intellectual Property and Certifications

Dalian Huicheng places emphasis on research and development, and has developed technology relating to the production and processing of aluminium and alloy plates. In protecting such technology, Dalian Huicheng has registered 30 patent certificates and 3 trademark certificates.

Dalian Huicheng also focuses on awareness of quality, environment and safety and aims to achieve sustainable development. As evidence of the company's efforts in this, Dalian Huicheng has obtained the following certifications:

- *ISO 9001 Quality Management Certificate;*
- *ISO 14001 Environment Management System Certificate;*
- *OHSAS 18001 Occupational Health and Safety Management System Certificate;*
- *IRIS (International Railway Industry Standard) Certification, which is a globally recognised standard unique to the railway sector for the evaluation of management systems;*
- *AS9100C Quality Management Systems Certificate issued by the Americas Aerospace Quality Standards Committee, which is a quality management standard for the aviation, space and defence industries;*
- *GJB9001B-2009 Quality Assurance Certificate of Conformity to GJB Quality Management System Certification;*
- *certification under the quality assurance system for material manufacturers according to the Pressure Equipment Directive 97/23/EC which certifies that the manufacturer has implemented and applied a quality assurance system which has been assessed based on the Pressure Equipment Directive 97/23/EC; and*

- *the NADCAP certificate issued by the Nadcap Management Council in accordance with SAE Aerospace Standard AS7003, which demonstrates conformance and recognition of accreditation for heat treating.*"

The Vendors

As at the Latest Practicable Date, Huicheng Capital has an issued share capital of 200 ordinary shares and its entire shareholdings are held by the Vendors in the respective proportions: Chen Wei Ping (37%), Chen Chen (11%), Tang Tianrui (11%), Yang Tianying (11%), Yang Xiaoguang (10%), Tan Poh Kuan Linda (10%) and He Qingzhi (10%).

Mr. Chen Wei Ping, the controlling shareholder and director of Huicheng Capital, is a director of the Company and is also interested in an aggregate of 131,405,200 Shares, representing approximately 10.8% of the issued share capital (excluding treasury shares) of the Company. Accordingly, Mr. Chen Wei Ping is considered an "interested person" of the Company and the Proposed Acquisition of Huicheng Capital constitutes an "interested person transaction" as defined under Chapter 9 of the SGX-ST Listing Manual.

5. RATIONALE FOR THE PROPOSED ACQUISITION

The rationale for the Proposed Acquisition are stated in section 2.10 of the Circular, and Independent Shareholders are advised to read the information carefully.

6. EVALUATION OF THE PROPOSED ACQUISITION

In assessing the Proposed Acquisition, we have considered, *inter alia*, the following:

(a) Rationale for the Proposed Acquisition;

(b) Financial assessment of the Consideration for the Proposed Acquisition of Huicheng Group;

(c) Safeguards on the payment terms for the Proposed Acquisition;

(d) Financial assessment of the Issue Price for the Proposed Acquisition;

(e) Financial effects of the Proposed Acquisition; and

(f) Other relevant considerations.

6.1 Rationale for the Proposed Acquisition

As set out in section 2.10 of the Circular, the Board believes that the Proposed Acquisition is one that provides an opportunity for the Group to acquire a profitable business and further expand its core business, which will enable the Group to strengthen its position in its current market. Subsequent to Completion, the Proposed Acquisition will enable the Group to achieve the following objectives:

"*Diversify its range of products and services*

Following the Completion of the Proposed Acquisition, the Group's range of products and services will be expanded to include aluminium alloy stretched plates and hot-rolled aluminium alloy plates and coils in addition to its current aluminium alloy extrusion and cold-rolled plates and sheets product offerings. This will allow the Group to provide a wider range of products and services to its customers and diversify its offerings.

Expand its customer base and allow it entry into new industries and sectors

The Group's customer base currently comprises players in the infrastructure and rail transport sectors, with a focus on PRC and major global train manufacturers, while Dalian Huicheng's customer base comprises customers in the aviation, aerospace, rail transportation, marine, automotive and petrochemical industries. It is expected that following the Completion of the Proposed Acquisition, the Group will be able to benefit from cross-selling opportunities, with the Group now having access to and being able to tap on Dalian Huicheng's connections in new industries and sectors.

Vertical integration so as to achieve synergies

The Completion of the Proposed Acquisition will allow the Group to harness synergies. The Group's aluminium alloy cold-rolling plant in Liaoyuan City, Jilin Province, PRC, is expected to commence commercial production in 2016. The raw materials used for production in the Group's aluminium alloy cold-rolling plant are hot-rolled aluminium alloy plates and coils, which it currently purchases from third-party suppliers. The completion of the Proposed Acquisition will allow the Group to achieve synergies as it could potentially source from Dalian Huicheng hot-rolled aluminium alloy plates and coils where it would foreseeably be better positioned to maintain quality controls and standards."

6.2 Financial assessment of the Consideration for the Proposed Acquisition of Huicheng Group

In assessing the Consideration for the Proposed Acquisition, we have considered the following:

(i) Financial information of the Huicheng Group;

(ii) Independent valuation of the Huicheng Group; and

(iii) Comparison of valuation ratios of selected listed companies whose businesses are broadly comparable to the Huicheng Group.

6.2.1 Financial information of Huicheng Group

Huicheng Capital has been set up as an investment holding company with a 100% equity interest in Dalian Huicheng as its sole investment and main asset. Its other assets being cash balances, which are immaterial as compared to its investment in Dalian Huicheng. The expenses incurred by Huicheng Capital are recorded against the loans from shareholder(s) and its cash balances, and therefore do not have an impact on the financial statements of Dalian Huicheng. As Huicheng Capital does not have material external liabilities, the consolidated financial statements of Huicheng Capital are primarily represented by the consolidated financial statements of Dalian Huicheng.

In this regard, in assessing the reasonableness of the Consideration for the Proposed Acquisition, we have considered the financial information of Dalian Huicheng with a summary of its recent financial performances as set out below:

Income Statement

(RMB'000)	FY2013	FY2014	30 September 2014	30 September 2015
Revenue	46,036	112,996	57,000	275,913
Cost of Sales	(36,746)	(100,649)	(54,255)	(218,360)
Profit before tax	30,200	18,816	15,753	62,751
Profit after tax	25,598	14,156	11,472	56,338

Balance Sheet

(RMB'000)	30 September 2015
Non-current assets	674,188
Non-current liabilities	235,000
Current assets	554,649
Current liabilities	277,562
Working capital	277,087
Shareholders' equity	716,275

Source: Dalian Huicheng's audited accounts for financial year ("FY") 2013 to FY2014 (ended 31 December) and the Management accounts as at 30 September 2014 and 2015 (accumulated nine (9) months financial figures).

Based on the above, we observe that Dalian Huicheng's revenue ranged between RMB46 million and RMB113 million for the last two (2) financial years ended 31 December 2013 and 2014, respectively. Dalian Huicheng's profit after tax ranged between RMB26 million and RMB14 million for FY2013 and FY2014, respectively. The decline in FY2014 profit after tax was attributed primarily to the increase in cost of sales and other sales and operating related expenses and lesser government subsidies received. Further, products were priced lower due to the Management's business strategy in gaining more market share.

For the period ended 30 September 2015, the accumulated nine (9) months revenue for this period amounted to approximately RMB276 million and the accumulated net profit amounted to approximately RMB56 million. As the operations of Dalian Huicheng only commenced in FY2013, the significant increase in revenue (higher volume of sales) and profit after tax as at 30 September 2015 as compared to FY2013 and FY2014 was attributed primarily to Dalian Huicheng's build-up in its operations over these periods of time. There was also a one-time gain from a disposal and dividends received from a subsidiary of approximately RMB25 million.

As at 30 September 2015, non-current assets (comprising mainly fixed assets, at net value, of approximately RMB512 million, construction in progress of approximately RMB72 million and land use rights of approximately RMB90 million) constituted approximately 55% of Dalian Huicheng's total assets, and current assets (comprising mainly cash balances of approximately RMB70 million, accounts and other receivables and advances to suppliers of approximately RMB414 million, and inventory of approximately RMB69 million) constituted approximately 45% of Dalian Huicheng's total assets.

As at 30 September 2015, non-current liabilities comprising of long-term loans of RMB235 million constituted approximately 46% of Dalian Huicheng's total liabilities, and current liabilities (comprising mainly of short-term loans of RMB180 million, accounts and notes payable of approximately RMB112 million, and accrued tax of approximately RMB(34) million) constituted approximately 54% of Dalian Huicheng's total liabilities.

As at 30 September 2015, Dalian Huicheng had positive working capital of approximately RMB277 million and cash balances of approximately RMB70 million. And as at the same period, Shareholders' equity amounted to approximately RMB716 million.

The Directors and Management of the Company further confirmed that based on the representations from the Vendors and the due diligence review conducted by the Company in respect of the Proposed Acquisition, as at the Latest Practicable Date, Huicheng Capital and Dalian Huicheng did not have any material contingent liabilities.

We wish to highlight that the aforementioned analysis is only for illustrative purposes and not meant to be an indication of, or comment on Huicheng Group's future profitabilities, growth prospects, financial positions and working capital sufficiency.

6.2.2 Independent valuation of Huicheng Group

The Company has engaged the Independent Valuer to perform an independent valuation of the market value of the Huicheng Group as at 31 August 2015 (the "Valuation Date").

As set out in the Independent Valuation Report, the Independent Valuer has prepared its valuation on the basis of market value defined as "the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

In arriving at the market value for the equity interest of Huicheng Capital, the Independent Valuer had considered three (3) generally accepted approaches, namely, market-based approach, income-based approach and asset-based approach. In determining the most appropriate approach for the valuation of the Huicheng Group, the Independent Valuer had taken into account of the uniqueness of the Huicheng Group's operation and the nature of the aluminium industry it is participating in. The market-based approach was not adopted in this case because most of the important assumptions of the comparable transactions such as discount or premium on the transaction prices or considerations were, in the opinion of the Independent Valuer, hidden. The asset-based approach was not adopted because it could not capture the future earning potential and thus the market value of the Huicheng Group. In that regard, the Independent Valuer had relied primarily on the income-based approach in arriving at the market value of the Huicheng Group. Under the income-based approach, the projected free cash flows of the Huicheng Group were discounted with appropriate discount rates having considered the relevant risk factors.

Based on the Independent Valuation Report, the Independent Valuer has arrived at the market value of RMB1.269 billion. A sensitivity analysis was also presented in the Independent Valuation Report which indicated the market value falling in the range of RMB1.021 billion to RMB1.623 billion with regards to a 2% absolute change in the discount rate. **In this regard, we note that the value of the Huicheng Group as implied by the Consideration is within the range of the market value estimate.**

6.2.3 Comparison of valuation ratios of selected listed companies whose businesses are broadly comparable to the Huicheng Group

In considering what may be regarded as a reasonable range of valuation for the purposes of assessing the Proposed Acquisition, we have referred to selected companies with those of the Huicheng Group to provide an indication of the current market expectations with regard to the perceived valuation of these businesses. Based on our research and in consultation with Management, we have used the following companies listed on the Singapore Stock Exchange, the Hong Kong Stock Exchange, the Shenzhen Stock Exchange and the Shanghai Stock Exchange whose principal businesses are in the manufacturing and/or sale of aluminium products and which are broadly comparable to the Huicheng Group.

We recognise that there is no particular listed company that we may consider to be directly comparable to the Huicheng Group in terms of the composition of the business activities, company size, types of properties, customer base, risk profile, geographical spread, accounting standards and policies used and such other relevant criteria. However, after discussions with the Management of the Company, we have selected companies which we believe are broad proxies to the core businesses of the Huicheng Group (the "Target Comparable Companies").

The Independent Directors and Shareholders should note that any comparisons made with respect to the Target Comparable Companies are for illustrative purposes only as there is no one company with the exact scope of business and using the exact accounting policies and standards as those of the Huicheng Group. The conclusions drawn from such comparisons, therefore, may not necessarily reflect the perceived or implied valuation of the Huicheng Group as at the Latest Practicable Date. In addition, we wish to highlight that the list of Target Comparable Companies is by no means exhaustive.

Accordingly, for the purpose of our evaluation, we have considered the following Target Comparable Companies whose business activities are broadly comparable to those of the Huicheng Group.

As an illustration of the differences in market valuation among the different stock exchanges, as at the Latest Practicable Date, the Singapore Straits Times Index ("STI"), the Hong Kong Hang Seng Index, the Shenzhen Composite Index and the Shanghai Composite Index is trading at P/E (as defined below) ratio of 13.18 times, 9.30 times, 40.55 times and 15.26 times, respectively.

A brief description of the Target Comparable Companies listed on the Singapore Stock Exchange and the Hong Kong Stock Exchange ("Singapore and Hong Kong Comparables") are set out as follows:

Company	Principal Business	Primary Exchange
XinRen Aluminum Holdings Ltd. ("XinRen Aluminum")	XinRen Aluminum produces aluminium in the People's Republic of China. Its operations include the smelting and sale of primary aluminium in the form of ingots and plates, the fabrication of primary aluminium into and the sale of products such as aluminium sheets, coils and foils and trading of aluminium.	Singapore

Company	Principal Business	Primary Exchange
Soon Lian Holdings Ltd. ("Soon Lian")	Soon Lian distributes aluminium alloy products to a variety of industries including marine, precision engineering and transportation industries.	Singapore
China Zhongwang Holdings Ltd ("China Zhongwang")	China Zhongwang is principally engaged in the production of large-section and high value-added industrial aluminium extrusion products which are widely utilised in transportation, machinery and equipment, and electric power engineering sectors. It is also developing its industrial aluminium deep-processing technologies and aluminium flat rolled business.	Hong Kong
China Hongqiao Group Ltd. ("China Hongqiao")	China Hongqiao manufactures aluminium products. Its aluminium products include molten aluminium alloy, aluminium alloy ingots and aluminium busbars.	Hong Kong

A brief description of the Target Comparable Companies listed on the Shenzhen Stock Exchange and Shanghai Stock Exchange ("PRC Comparables") are set out as follows:

Company	Principal Business	Primary Exchange
Jiaozuo Wanfang Aluminum Manufacturing Company Ltd. ("Jiaozuo Wanfang")	Jiaozuo Wanfang manufactures and markets a variety of aluminium products including aluminium ingots, coils, alloy rods and foils.	Shenzhen
Jiangsu Alcha Aluminum Company Ltd. ("Jiangsu Alcha")	Jiangsu Alcha manufactures and markets pure aluminium foil, hydrophilic-coated aluminium foil and aluminium scrip coil.	Shenzhen
Jiangsu Aucksun Co., Ltd. ("Jiangsu Aucksun")	Jiangsu Aucksun manufactures and distributes rolled steel sheets and aluminium sheets.	Shenzhen
Yinbang Clad Material Company Limited ("Yinbang Clad")	Yinbang Clad develops, manufactures and sells aluminium alloy composites, aluminium metal composite materials and aluminium alloy non-composite materials.	Shenzhen
Fujian Minfa Aluminum Company Limited ("Fujian Minfa")	Fujian Minfa develops, produces and sells aluminium products. These products include, among others, construction aluminium and industrial aluminium.	Shenzhen

Company	Principal Business	Primary Exchange
Guangdong Hec Technology Holding Co., Ltd. ("Guangdong Hec")	Guangdong HEC manufactures and markets aluminium products including high purity aluminium electrode foil, hydrophilic foil and foil with hydrophilic coating, and electrolytic capacitors.	Shanghai
Xinjiang Joinworld Co., Ltd. ("Xinjiang Joinworld")	Xinjiang Joinworld manufactures and markets aluminium ingots, electronic aluminium foils, aluminium alloys and other aluminium products.	Shanghai
Henan Zhongfu Industry Co., Ltd. ("Henan Zhongfu")	Henan Zhongfu manufactures and markets electrolytic aluminium, aluminium ingots and aluminium shape materials.	Shanghai

In our evaluation, we have considered the following widely used valuation measures:

Valuation Ratio	General Description
P/E	Price to Earnings or "P/E" is the ratio of market price of a company's shares relative to its historical earnings per share. The P/E ratio is an earnings-based valuation methodology and is calculated based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses. As such, it is affected by the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.
P/NAV	Price to net asset value or "P/NAV" is the ratio of the market capitalisation of a company relative to its net asset value. The P/NAV ratio is affected by differences in their respective accounting policies including their depreciation and asset valuation policies. The net asset value of a company provide an estimate of the value of a company assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, as well as any minority interests, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is based by the assets of a company.

The valuation statistics of the Target Comparable Companies based on their respective last traded prices as at the Latest Practicable Date are set out below:

SG & HK Comparable Companies	Latest Financial Period Reported	Market Capitalisation as at the Latest Practicable Date (S$' million)(3)	P/E(1) (times)	P/NAV(2) (times)
Midas Holdings	*31 Dec 2015*	*340.90*	*28.56*	*0.54*
XinRen Aluminium	31 Dec 2015	782.10	14.71	1.84
Soon Lian	31 Dec 2015	10.80	n.m.	0.36

SG & HK Comparable Companies	Latest Financial Period Reported	Market Capitalisation as at the Latest Practicable Date (S$' million)[3]	P/E[1] (times)	P/NAV[2] (times)
China Zhongwang	30 Sep 2015	4,086.40	6.61	0.77
China Hongqiao	31 Dec 2015	6,185.50	6.99	0.73
High			28.56	1.84
Low			6.61	0.36
Mean			14.22	0.85
Median			10.85	0.73

PRC Comparable Companies	Latest Financial Period Reported	Market Capitalisation as at the Latest Practicable Date (RMB' million)	P/E[1] (times)	P/NAV[2] (times)
Jiaozuo Wanfang	30 Sep 2015	7,144.90	33.45	1.45
Jiangsu Alcha	30 Sep 2015	5,807.20	59.95	2.50
Jiangsu Aucksun	31 Dec 2015	6,565.00	26.84	4.02
Yinbang Clad	30 Sep 2015	5,030.20	n.m.	3.05
Fujian Minfa	30 Sep 2015	3,775.30	104.64	3.82
Guangdong HEC	30 Sep 2015	17,306.80	103.12	4.80
Xinjiang Joinworld	30 Sep 2015	4,302.60	n.m.	1.33
Henan Zhongfu	30 Sep 2015	8,899.30	n.m.	1.66
High			104.64	4.80
Low			26.84	1.33
Mean			65.60	2.83
Median			59.95	2.78
Implied multiples of the Proposed Acquisition based on first tranche of payment[3]			**21.70[4]**	**1.11[5]**
Implied multiples of the Proposed Acquisition based on Earn-Out condition[3]			**15.71[6]**	–

Source: Bloomberg LP, company annual reports, results announcements and NRA Capital's computations.

Notes:

(1) EPS figures are based on the trailing 12-month results as at the Latest Practicable Date.

(2) NAV figures are based on the latest available published financial statements as at the Latest Practicable Date.

(3) Based on Bloomberg's relative exchange rate per S$1.00 as of the Latest Practicable Date.

(4) Based on the Initial Consideration and Dalian Huicheng's FY2015 annualised net profit (adjusting for non-recurring income).

(5) Based on the Initial Consideration.

(6) Based on the total Consideration and RMB80 million (assuming the fulfilment of the Earn-Out Target).

(7) n.m refers to not meaningful as the respective Target Comparable Companies have either reported insignificant earnings/losses or negative NAV in respect of their latest available published financial statements.

Comparison with the Singapore and Hong Kong Comparables

Based on the above, we note the following:

(a) The P/E ratio of the Huicheng Group implied by the Initial Consideration and Dalian Huicheng's FY2015 annualised net profit (adjusting for non-recurring income) of 21.70 times is within the range of the P/E ratios of the Singapore and Hong Kong Comparables and is higher than the mean and median P/E ratio of 14.22 times and 10.85 times, respectively.

(b) The P/NAV ratio of the Huicheng Group implied by the Initial Consideration of 1.11 times is within the range of the P/NAV ratios of the Singapore and Hong Kong Comparables and is higher than the mean and median P/NAV ratio of 0.85 times and 0.73 times, respectively.

(c) The P/E ratio of the Huicheng Group implied by the total Consideration and the Earn-Out Target (of RMB80 million) (assuming the fulfilment of the Earn-Out Target) of 15.71 times is within the range of the P/E ratios of the Singapore and Hong Kong Comparables and is higher than the mean and median P/E ratio of 14.22 times and 10.85 times, respectively.

Comparison with the PRC Comparables

Based on the above, we note the following:

(a) The P/E ratio of the Huicheng Group implied by the Initial Consideration and Dalian Huicheng's FY2015 annualised net profit (adjusting for non-recurring income) of 21.70 times is below the range of the P/E ratios of the PRC Comparables and is significantly lower than the mean and median P/E ratio of 65.60 times and 59.95 times, respectively.

(b) The P/NAV ratio of the Huicheng Group implied by the Initial Consideration of 1.11 times is below the range of the P/NAV ratios of the PRC Comparables and is lower than the mean and median P/NAV ratio of 2.83 times and 2.78 times, respectively.

(c) The P/E ratio of the Huicheng Group implied by the total Consideration and the Earn-Out Target (of RMB80 million) (assuming the fulfilment of the Earn-Out Target) of 15.71 times is below the range of the P/E ratios of the PRC Comparables and is significantly lower than the mean and median P/E ratio of 65.60 times and 59.95 times, respectively.

Based on the above analysis, having taken into account that:

(i) the implied P/E and P/NAV ratios are within the range of the Singapore and Hong Kong Comparables; and

(ii) all the implied valuation ratios fall below the range of the PRC Comparables (implying that the consideration in the respective analysis above is priced better than the PRC Comparables in similar business),

we are of the view that the Consideration for the IPT Acquisition is arrived on a normal commercial terms and not prejudicial to the interest of the Company and the Independent Shareholders.

6.3 Safeguards on the payment terms for the Proposed Acquisition

The Consideration for the Proposed Acquisition will be wholly satisfied by the issuance of up to 733,333,330 Shares which will be allotted and issued at the Issue Price. The issuance of such Consideration Shares will comprise of two portions namely, the Initial Consideration Shares and the Earn-out Consideration Shares. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the existing Shares. We note that upon Completion, the interested person, Mr. Chen Wei Ping, in relation to the Proposed Acquisition, will not receive any Shares (i.e., the Initial Consideration Shares will be allotted and issued to the Vendors, save for Mr. Chen Wei Ping).

Further, the payment to Mr. Chen Wei Ping in the form of Earn-out Consideration Shares shall be payable to Mr. Chen Wei Ping upon the following target being achieved: consolidated Adjusted Profit after Tax (adjustments for non-operating items including, *inter alia*, grants from government and other parties) of Dalian Huicheng for FY2016 of at least RMB80 million based on the final consolidated audited profit and loss account of Dalian Huicheng (the "Earn-Out Target").

The Earn-Out Consideration shall be payable in the manner set out below:

(i) where the Earn-Out Target is met, S$97.68 million (the "Earn-Out Consideration") shall be paid to Mr. Chen Wei Ping;

(ii) where the Earn-Out Target is not met, Mr. Chen Wei Ping shall be entitled to a portion of the Earn-Out Consideration calculated as follows:

$$\frac{A}{\text{RMB80 million}} \times \text{Earn-Out Consideration}$$

Where:

A = The consolidated Adjusted Profit after Tax of Dalian Huicheng for the financial year ending 31 December 2016

The Earn-Out Consideration (or portion of the Earn-Out Consideration in the event that the Earn-Out Target is not met) shall be wholly satisfied by the issuance of Consideration Shares.

The Earn-Out Target and Earn-Out Consideration were arrived at after arm's length negotiations between the parties and the pro-rata scenarios were put in place to avoid purely binary outcomes.

The payment of the Earn-Out Consideration is structured to motivate Mr. Chen Wei Ping (one of the Vendors) to achieve the Earn-Out Target with a view to ensuring continued performance of Huicheng Group after Completion.

6.4 Financial assessment of the Issue Price for the Proposed Acquisition

In assessing the Issue Price for the Proposed Acquisition, we have considered the following:

(i) Market quotations and trading activity;

(ii) Comparison of the Issue Price with the NAV per Share; and

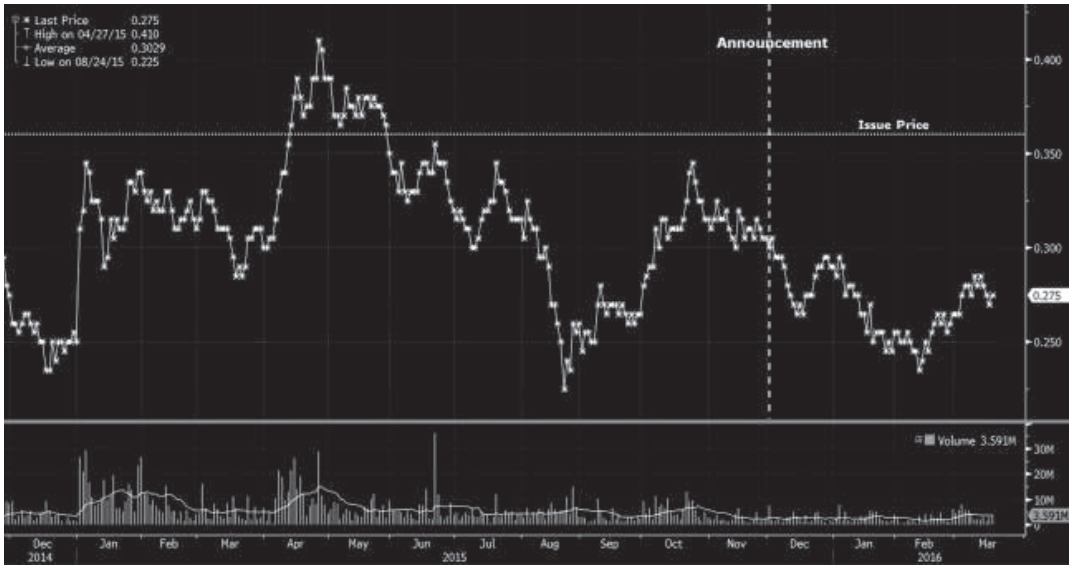
(iii) Valuation statistics of the Group implied by the Issue Price versus those of broadly comparable companies.

6.4.1 Market quotations and trading activity

(a) History trading performance of the Shares

Market price represents the value of a company as perceived by the stock market and subject to market efficiency and rationality, investor sentiment and market speculation, reflects information relevant to a company such as its business directions, plans and strategies, expected financial performance, expected dividend payout and return to shareholders, future prospects and potential growth.

We set out below the Company's Share price and volume chart based on the daily last transacted price of the Shares and daily volume traded for 12 months prior to the Announcement and ending on the Latest Practicable Date.



Source: Bloomberg LP

(b) Volume-weighted average price per Share and liquidity analysis

The volume-weighted average price per Share ("VWAP") at various periods over a duration of 12 months prior to the Announcement and thereafter are as follows:

	VWAP (S$)	Premium/ (Discount) of Issue Price over/to VWAP (%)	Highest Price (S$)	Lowest Price (S$)	Average Daily Trading Volume (million)[1]	Average Daily Trading Volume as percentage of Free Float[2] (%)
Periods prior to the Announcement						
Last 12 months	0.326	10.429	0.410	0.225	6.390	0.663
Last 6 months	0.311	15.756	0.370	0.225	4.791	0.497
Last 3 months	0.297	21.212	0.345	0.245	4.133	0.429
Last 1 month	0.315	14.286	0.325	0.300	2.459	0.255
Last traded Market Day (27 November 2015) prior to Announcement	0.305[3]	18.033	0.310	0.300	0.852	0.088
From Announcement						
Between Announcement and the Latest Practicable Date	0.272	32.353	0.305	0.235	2.811	0.292
Latest Practicable Date (17 March 2016)	0.280[4]	28.571	0.280	0.270	3.871	0.402

Source: Bloomberg LP

Notes:

(1) The average daily trading volume of the Shares is calculated based on the total trading volume for all the traded Market Days for the relevant periods, divided by the total number of Market Days during the respective periods.

(2) Free Float refers to the Shares other than those held by the directors, chief executive officers, substantial or controlling shareholders of the Company and their respective associates (as defined in the Listing Manual), which amounts to approximately 963.8 million Shares as at the Latest Practicable Date.

(3) This represents the last transacted price (instead of the VWAP) on 27 November 2015, being the last Market Day on which the Shares were traded prior to the Announcement.

(4) This represents the last transacted price (instead of the VWAP) on 17 March 2016 on which the Shares were traded as at the Latest Practicable Date.

Based on the above, we note the following with regard to the Share price performance:

(i) Over the 12-month period prior to the Announcement, the Shares have traded from a low S$0.225 to a high of S$0.410 per Share. The Issue Price represents a premium of approximately 60.0% and a discount of approximately 12.2% to the lowest and highest transacted price, respectively.

(ii) The Issue Price represents a premium of approximately 10.4% over the VWAP of the Shares for the 12-month period prior to the Announcement and a premium of approximately 15.8%, 21.2%, 14.3% and 18.0% to the corresponding VWAP of the Shares for the 6-month period, 3-month period, 1-month periods and the last transacted Share price on the last traded Market Day prior to the Announcement, respectively.

(iii) From the Announcement Date to Latest Practicable Date, the Issue Price represents a premium of approximately 32.4% over the VWAP of the Shares traded over the period.

(iv) On the Latest Practicable Date, the Issue Price represents a premium of approximately 28.6% over the last transacted price of the Shares.

We observe the following with regard to the trading liquidity of the Shares:

(i) The Shares are thinly traded with the average daily traded volume of the Shares for the periods of 12-months, 6-months, 3-months and 1-month prior to the Announcement representing approximately 0.663%, 0.497%, 0.429% and 0.255% of the Free Float.

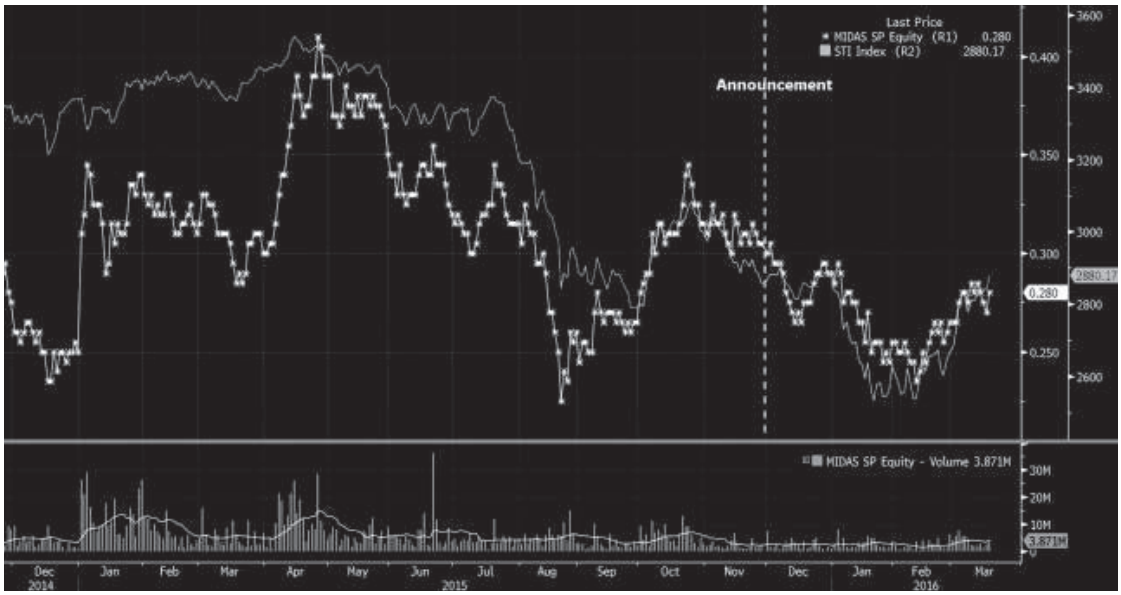
(ii) The average daily traded volume of the Shares on the last traded Market Day prior to the Announcement represents approximately 0.088% of the Free Float.

(iii) The average daily traded volume of the Shares for the period following the Announcement up to the Latest Practicable Date represents 0.292% of the Free Float; and

(iv) The average daily traded volume of the Shares on the Latest Practicable Date represents approximately 0.402% of the Free Float.

Shareholders should note that the market price performance of the Shares may be due to various market factors, the individual factors of which may not be easily isolated and identified with certainty. As such, we wish to highlight that the above analysis of the trading performance of the Shares serves only as an illustrative guide and is not an indication of the future trading performance of the Shares.

In order to assess whether the market price performance of the Shares may be attributed to the Proposed Acquisition or to external factors, we have compared the market movement of the Shares against the STI for the period from 12 months prior to the Announcement up to the Latest Practicable Date.



6.4.2 Comparison of the Issue Price with the NAV per Share

In our evaluation of the Issue Price, we have considered whether there are any factors which have not been otherwise disclosed in the announced financial results of the Group that are likely to materially impact the unaudited NAV as at 31 December 2015. As at the Latest Practicable Date, the Directors are not aware of any fact or circumstance that would materially change the NAV per Share as at 31 December 2015.

The NAV represents the minimum value attributable to the Shareholders assuming the Company's assets can be liquidated and the liabilities of the Company can be settled at their book value. We have compared the Issue Price to the NAV per Share for the last three (3) financial periods as follows:

	Issue Price	**NAV per Share as at financial period ended 31 Dec 2015**	**NAV per Share as at financial year ended 31 Dec 2014**	**NAV per Share as at financial year ended 31 Dec 2013**
NAV (RMB'000)		3,041,331	2,997,488	2,968,657
Number of Shares ('000)		1,217,617	1,217,617	1,217,617
Exchange Rate[(1)]		4.578	4.686	4.794
NAV per Share (SGD)		**0.55**	**0.53**	**0.51**
Premium/(Discount) over NAV	0.36	(35%)	(32%)	(29%)

Source: The Group's annual reports and Bloomberg LP

(1) Based on Bloomberg's relative exchange rate per S$1.00 as of the respective financial period end dates.

Based on the above, we note that the Issue Price implies discounts of approximately 35%, 32% and 29% to the NAV per Share for the financial periods ended 31 December 2015, FY2014 and FY2013, respectively.

6.4.3 Valuation statistics of the Group implied by the Issue Price versus those of broadly comparable companies

In the evaluation of the Issue Price, we have considered a range of selected valuation statistics of comparable companies that are deemed broadly comparable to the Group ("Comparable Companies").

We have had discussion with the Management about the suitability and reasonableness of these Comparable Companies as a basis for the comparison with the Group. Relevant information has been extracted from publicly available annual reports and/or public announcements of these Comparable Companies. The Comparable Companies' accounting policies with respect to the values for which the assets or the revenue and cost are recorded may differ from that of the Group.

Shareholders may wish to note that there may not be any company listed on the relevant exchanges that is directly comparable to the Group in terms of, *inter alia*, market capitalisation, size, diversity of business activities, asset base, geographical spread, customer base, brand loyalty, track record, financial performance, future prospects, operating and financial leverage, liquidity, risk profile, quality of earnings and accounting, listing status and other relevant criteria. Therefore, any comparison made herein serves only as an illustrative guide for Shareholders. We wish to highlight that the list of Comparable Companies is by no means exhaustive.

Details of the Comparable Companies are set out below:

Company	Principal Business	Primary Exchange
XinRen Aluminum Holdings Ltd. ("XinRen Aluminum")	XinRen Aluminum produces aluminium in the People's Republic of China. Its operations include the smelting and sale of primary aluminium in the form of ingots and plates, the fabrication of primary aluminium into and the sale of products such as aluminium sheets, coils and foils and trading of aluminium.	Singapore
Soon Lian Holdings Ltd. ("Soon Lian")	Soon Lian distributes aluminium alloy products to a variety of industries including marine, precision engineering and transportation industries.	Singapore
Daiki Aluminium Industry Co., Ltd. ("Daiki Aluminium")	Daiki Aluminium produces aluminium alloy ingots for diecast and forged products used mainly in automobiles and transport industries.	Japan
UACJ Corp. ("UACJ Corp")	UACJ Corp manufactures and sells aluminium products including aluminium panels and parts for automobiles, aluminium sheets for circuit boards and electric appliances and building materials.	Japan

Company	Principal Business	Primary Exchange
China Zhongwang Holdings Ltd ("China Zhongwang")	China Zhongwang is principally engaged in the production of large-section and high value-added industrial aluminium extrusion products which are widely utilised in transportation, machinery and equipment, and electric power engineering sectors. It is also developing its industrial aluminium deep-processing technologies and aluminium flat rolled business.	Hong Kong
China Hongqiao Group Ltd. ("China Hongqiao")	China Hongqiao manufactures aluminium products. Its aluminium products include molten aluminium alloy, aluminium alloy ingots and aluminium busbars.	Hong Kong
Capral Limited ("Capral")	Capral manufactures markets and distributes semi-fabricated aluminium extrusion and sheet products.	Australia

In our comparison of valuation statistics implied by the Issue Price with those of the Comparable Companies, we have taken into account the following:

Valuation Ratio	General Description
P/E	Price to Earnings or "P/E" is the ratio of market price of a company's shares relative to its historical earnings per share. The P/E ratio is an earnings-based valuation methodology and is calculated based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses. As such, it is affected by the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.
P/NAV	Price to net asset value or "P/NAV" is the ratio of the market capitalisation of a company relative to its net asset value. The P/NAV ratio is affected by differences in their respective accounting policies including their depreciation and asset valuation policies. The net asset value of a company provide an estimate of the value of a company assuming a hypothetical sale of all its assets and repayment of its liabilities and obligations, as well as any minority interests, with the balance being available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is based by the assets of a company.
EV/EBITDA	EV refers to enterprise value which is the sum of a company's market capitalisation, preferred equity, minority interest, short-term and long-term debts, less its cash and cash equivalents. EBITDA refers to the historical consolidated earnings before interest, taxes, depreciation and amortisation.

The valuation statistics of the Comparable Companies based on their respective last traded prices as at the Latest Practicable Date are set out below:

Comparable Companies	Market Capitalisation as at the Latest Practicable Date (S$' million)[4]	P/E[1] (times)	P/NAV[2] (times)	EV/EBITDA (times)[3]
XinRen Aluminum	782.10	14.71	1.84	9.22
Soon Lian	10.80	n.m.	0.36	8.96
Daiki Aluminium	152.20	7.03	0.51	8.89
UACJ Corp	1,243.00	22.62	0.60	9.89
China Zhongwang	4,086.40	6.61	0.77	11.22
China Hongqiao	6,185.50	6.99	0.73	5.26
Capral	59.20	n.m.	0.51	4.05
High		22.62	1.84	11.22
Low		6.61	0.36	4.05
Mean		11.59	0.76	8.21
Median		7.03	0.60	8.96
Company (implied by the Issue Price)[4]	**438.34**	**36.00**	**0.69**	**13.74**

Source: Bloomberg LP, company annual reports, results announcements and NRA Capital's computations.

Notes:

(1) EPS figures are based on the trailing 12-month results as at the Latest Practicable Date.

(2) NAV figures are based on the latest available published financial statements as at the Latest Practicable Date.

(3) For the Comparable Companies, EV is computed based on the latest available published financial results, except market capitalisation which is computed as at the Latest Practicable Date, and EBITDA is computed based on a trailing 12-month basis of the latest available published financial statements.

(4) Based on Bloomberg's relative exchange rate per S$1.00 as of the Latest Practicable Date.

Based on the above, we note that:

(a) The range of P/E ratios among the Comparable Companies is between 6.61 times and 22.62 times. We also note that the mean and the median P/E ratio of the Comparable Companies as at the Latest Practicable Date is 11.59 and 7.03 times, respectively. The P/E ratio of the Group as implied by the Issue Price of 36.00 times is above the range of the P/E ratios and significantly above both the mean and median P/E ratios of the Comparable Companies.

(b) The range of P/NAV ratios among the Comparable Companies is between 0.36 times and 1.84 times. We also note that the mean and median P/NAV ratio of the Comparable Companies as at the Latest Practicable Date is 0.76 and 0.60 times, respectively. The P/NAV ratio of the Group as implied by the Issue Price of 0.69 times is within the range of the P/NAV ratios and is below the mean and above the median P/NAV ratios of the Comparable Companies.

(c) The range of EV/EBITDA ratios among the Comparable Companies is between 4.05 times to 11.22 times. We also note that the mean and median EV/EBITDA ratio of the Comparable Companies as at the Latest Practicable Date is 8.21 and 8.96 times, respectively. The EV/EBITDA ratio of the Group as implied by the Issue Price of 13.74 times is above the range of the EV/EBITDA ratios and above both the mean and median EV/EBITDA ratios of the Comparable Companies.

We wish to highlight that there may be significant differences between valuations of shares trading on the SGX-ST and other exchanges. Such cross border valuation statistics are subject to differing macroeconomic variables and investors' sentiments.

In addition, we wish to highlight the following:

(a) As highlighted earlier in this section 6.4.3, there are limitations in the Comparable Companies being directly comparable to the Group and that any comparison made in this section 6.4.3 serves only as an illustrative guide for Shareholders. Also, the list of Comparable Companies is by no means exhaustive.

(b) The evaluation of the Issue Price in relation to selected valuation statistics of the Comparable Companies that are broadly comparable to the Group, as set out above, forms part of the range of considerations used in our assessment of the Proposed Acquisition as set out at the start of this section 6 of this Letter. Our conclusion and recommendation, after taking into account all such considerations, are set out in section 7 and should be read in conjunction with, and in the context of, the entirety of this Letter.

6.5 Financial effects of the Proposed Acquisition

The *proforma* financial effects of the Proposed Acquisition are set out in section 2.11 of the Circular and are based on the audited consolidated financial statements of the Group for FY2014 and the audited financial statements of Huicheng Capital and Dalian Huicheng for FY2014 and various assumptions as detailed therein.

From the above, in summary, we note that the Proposed Acquisition would result in the following financial results for the Group:

(i) the number of Shares will increase due to the issuance of the Consideration Shares for the Proposed Acquisition;

(ii) the NTA per Share of the enlarged Group will decrease from RMB2.46 to RMB1.87 mainly due to the issue of Consideration Shares. Further, the Proposed Acquisition may also result in goodwill being recorded which will be excluded in the computation of NTA of the enlarged Group. Any impairment of goodwill in the current or subsequent financial periods may materially affect the financial position of the enlarged Group. However, note that in the calculation of the adjusted NTA per Share, it does not take into consideration the profits generated by the Company and the Target for the FY2015 and FY2016;

(iii) the earnings per Share of the enlarged Group will decrease from RMB0.046 to RMB0.036 mainly due to the issue of Consideration Shares. Further, the Proposed Acquisition may result in goodwill being recognised in the financial statements of the enlarged Group for the current or subsequent financial periods. Goodwill represents an excess of the consideration transferred arising from the Proposed Acquisition over the fair values of the net identifiable assets and liabilities. If goodwill arises from the Proposed Acquisition, the impairment of goodwill, if any, in the current or subsequent

financial period may materially affect the income statement of the enlarged Group. Any such goodwill arising thereon from the Proposed Acquisition will be accounted for in accordance with the accounting policies of the Company. However, note that in the calculation of the adjusted earnings per Share, it does not take into consideration the profits generated by the Company and the Target for the FY2015 and FY2016; and

(iv) the gearing ratio of the enlarged Group will decrease as a result of the Proposed Acquisition due mainly to the Proposed Acquisition being funded by the issuance of Consideration Shares.

The *proforma* financial effects above are for illustrative purposes only and do not purport to be an indication or a projection of the results and financial position of the Company and the Group after the completion of the Proposed Acquisition.

6.6 Other relevant considerations

6.6.1 Dilution impact of the Proposed Acquisition

As at the Latest Practicable Date, the issued share capital (excluding treasury shares) of the Company comprises 1,217,617,800 Shares. The Company does not have any outstanding instruments convertible into, rights to subscribe for, nor options in respect of, securities which carry voting rights of the Company.

Pursuant to the Proposed Acquisition, the Consideration of up to S$264 million is to be satisfied by way of allotment and issuance of up to 733,333,330 Consideration Shares comprising of (i) S$166.32 million, being the Initial Consideration, which shall be wholly satisfied by the issuance of 461,999,997 Shares, to be paid upon the Completion; and (ii) up to S$97.68 million, being the Earn-Out Consideration, which shall be wholly satisfied by the issuance of up to 271,333,333 Shares, payable upon the terms of an earn-out formula being satisfied as described in the S&P Agreement.

We note that Mr. Chen Wei Ping is deemed to be interested in the Proposed Acquisition. As at the Latest Practicable Date, Mr. Chen Wei Ping is the largest Shareholder of the Company, with beneficial interest representing approximately 10.79% of the existing issued share capital (excluding treasury shares) of the Company. Upon the issuance of the Consideration Shares (assuming the fulfilment of the Earn-Out Target), Mr. Chen Wei Ping will increase his shareholding interests in the Company and the Independent Shareholders will have their shareholding interest in the Company diluted from 89.21% to 79.36%. Mr. Chen Wei Ping will still remain as the largest Controlling Shareholder of the Company.

The dilution impact on the existing Shareholders together with the information on the total (direct and/or deemed) shareholding interests of the Directors and substantial Shareholders in the Company as at the Latest Practicable Date and after the Proposed Acquisition as extracted from the Circular are set out in the table below:

(as extracted from the Circular section 2.12)

"***Resultant Shareholdings of the Company***

Based on the shareholdings of the Company as at the Latest Practicable Date, taking into consideration the Consideration Shares issued in relation to the Initial Consideration, and taking into consideration the Consideration Shares issued in relation to the Earn-Out Consideration (assuming that the Earn-Out Target is met in full), the Company's shareholdings before and after the Proposed Acquisition are tabulated below:

	As at the Latest Practicable Date				After the Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration)				After Proposed Acquisition (Consideration Shares issued in relation to the Initial Consideration and Earn-out Consideration[1])			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%[2]	Number of Shares	%[2]	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Name of Directors												
Mr Chen Wei Ping	131,405,200	10.79	–	–	131,405,200	7.82	–	–	402,738,533	20.64	–	–
Mr Chew Hwa Kwang, Patrick	121,711,800	10.00	–	–	121,711,800	7.25	–	–	121,711,800	6.24	–	–
Mr Tong Din Eu	749,000	0.06	–	–	749,000	0.04	–	–	749,000	0.04	–	–
Name of Substantial Shareholders												
Mr Chen Wei Ping	131,405,200	10.79	–	–	131,405,200	7.82	–	–	402,738,533	20.64	–	–
Mr Chew Hwa Kwang, Patrick	121,711,800	10.00	–	–	121,711,800	7.25	–	–	121,711,800	6.24	–	–
Name of Vendors												
Chen Wei Ping	131,405,200	10.79	–	–	131,405,200	7.82	–	–	402,738,533	20.64	–	–
Chen Chen	64,000	0.01	–	–	80,730,666	4.81	–	–	80,730,666	4.14	–	–
Tang Tianrui	–	–	–	–	80,666,666	4.80	–	–	80,666,666	4.13	–	–
Yang Tianying	10,000	0.00	–	–	80,676,666	4.80	–	–	80,676,666	4.14	–	–
Yang Xiaoguang	400,000	0.03	–	–	73,733,333	4.39	–	–	73,733,333	3.78	–	–
Tan Poh Kuan Linda	545,400	0.04	–	–	73,878,733	4.40	–	–	73,878,733	3.79	–	–
He QingZhi	–	–	–	–	73,333,333	4.37	–	–	73,333,333	3.76	–	–

Notes:

(1) *Assuming that Earn-Out Target is met in full.*

(2) *The percentage is based on 1,217,617,800 issued Shares (excluding 1,000,000 treasury shares) of the Company as at the Latest Practicable Date.*"

6.6.2 Mr. Chen Wei Ping's indemnity

Mr. Chen Wei Ping has undertaken, pursuant to the S&P Agreement, to pay to the Company on demand, an amount equal to each loss, liability and cost incurred by the Company and Huicheng Group, which arises (directly or indirectly) in connection with any of the warranties contained in the S&P Agreement failing to remain true and accurate in all respects and not misleading in any respect as at Completion (including, without limitation, each loss, liability and cost reasonably incurred as a result of defending or settling a claim alleging such a liability).

6.6.3 Abstention from voting at the EGM

We note that Mr. Chen Wei Ping is deemed to be interested in the Proposed Acquisition and has therefore abstained from voting or making any recommendation on the Proposed Acquisition. Accordingly, the Proposed Acquisition would proceed only if a majority of the Independent Shareholders were to vote in favour of the Proposed Acquisition at the EGM.

7. OUR RECOMMENDATION

In arriving at our advice in respect of the Proposed Acquisition, we have taken into account, *inter alia*, the following key considerations. This summary should be read in conjunction with, and in the context of, the full text of this Letter.

(a) The rationale of the Proposed Acquisition.

(b) Dalian Huicheng's revenue and profit after tax increased by approximately 384% and 392%, respectively from 30 September 2014 to the latest financial period reported 30 September 2015. Cash balances as at 30 September 2015 was approximately RMB70 million and NAV as at 30 September 2015 was approximately RMB716 million. As at 30 September 2015, Dalian Huicheng was in a positive net working capital position of approximately RMB277 million.

(c) With respect to the Independent Valuation Report, we note that the value of Huicheng Group as implied by the Consideration is within the range of the market value estimate.

(d) With respect to the Singapore and Hong Kong Comparables:

    (i) The P/E ratio of Huicheng Group implied by the Initial Consideration and Dalian Huicheng's FY2015 annualised net profit (adjusting for non-recurring income) of 21.70 times is within the range of the P/E ratios of the Singapore and Hong Kong Comparables and is higher than the mean and median P/E ratio of 14.22 times and 10.85 times, respectively.

    (ii) The P/NAV ratio of Huicheng Group implied by the Initial Consideration of 1.11 times is within the range of the P/NAV ratios of the Singapore and Hong Kong Comparables and is higher than the mean and median P/NAV ratio of 0.85 times and 0.73 times, respectively.

    (iii) The P/E ratio of Huicheng Group implied by the total Consideration and the Earn-Out Target (of RMB80 million) (assuming the fulfilment of the Earn-Out Target) of 15.71 times is within the range of the P/E ratios of the Singapore and Hong Kong Comparables and is higher than the mean and median P/E ratio of 14.22 times and 10.85 times, respectively.

(e) With respect to the PRC Comparables:

(i) The P/E ratio of Huicheng Group implied by the Initial Consideration and Dalian Huicheng's FY2015 annualised net profit (adjusting for non-recurring income) of 21.70 times is below the range of the P/E ratios of the PRC Comparables and is significantly lower than the mean and median P/E ratio of 65.60 times and 59.95 times, respectively.

(ii) The P/NAV ratio of Huicheng Group implied by the Initial Consideration of 1.11 times is below the range of the P/NAV ratios of the PRC Comparables and is lower than the mean and median P/NAV ratio of 2.83 times and 2.78 times, respectively.

(iii) The P/E ratio of Huicheng Group implied by the total Consideration and the Earn-Out Target (of RMB80 million) (assuming the fulfilment of the Earn-Out Target) of 15.71 times is below the range of the P/E ratios of the PRC Comparables and is significantly lower than the mean and median P/E ratio of 65.60 times and 59.95 times, respectively.

(f) With respect to the safeguards on the payment terms for the Proposed Acquisition, we note that the issuance of the Consideration Shares will be split into two portions: (i) the Initial Consideration Shares payable upon Completion to the Vendors, save for the interested person, Mr. Chen Wei Ping; and (ii) the Earn-out Consideration Shares payable to Mr. Chen Wei Ping in accordance to an earn-out formula and such conditions as set out in the S&P Agreement. The payment of the Earn-out Consideration Shares is structured to motivate Mr. Chen Wei Ping to achieve the Earn-Out Target with a view to ensuring the continued performance of Huicheng Group after Completion.

(g) With respect to the Issue Price:

(i) The Issue Price represents a premium of approximately 10.4% over the VWAP of the Shares for the 12-month period prior to the Announcement and a premium of approximately 15.8%, 21.2%, 14.3% and 18.0% to the corresponding VWAP of the Shares for the 6-month period, 3-month period, 1-month periods and the last transacted Share price on the last traded Market Day prior to the Announcement, respectively.

(ii) The average daily traded volume of the Shares for the periods of 12-months, 6-months, 3-months, 1-month and last traded Market Day prior to the Announcement represents approximately 0.663%, 0.497%, 0.429%, 0.255% and 0.088% of the Free Float, respectively.

(iii) The Issue Price represents a discount of approximately 35%, 32% and 29% to the NAV per Share as at 31 December 2015, FY2014 (ended 31 December) and FY2013 (ended 31 December), respectively.

(iv) The range of P/E ratios among the Comparable Companies is between 6.61 times and 22.62 times. We also note that the mean and the median P/E ratio of the Comparable Companies as at the Latest Practicable Date is 11.59 and 7.03 times, respectively. The P/E ratio of the Group as implied by the Issue Price of 36.00 times is above the range of the P/E ratios and significantly above both the mean and median P/E ratios of the Comparable Companies.

(v) The range of P/NAV ratios among the Comparable Companies is between 0.36 times and 1.84 times. We also note that the mean and median P/NAV ratio of the Comparable Companies as at the Latest Practicable Date is 0.76 and 0.60 times, respectively. The P/NAV ratio of the Group as implied by the Issue Price of 0.69 times is within the range of the P/NAV ratios and is below the mean and above the median P/NAV ratios of the Comparable Companies.

(vi) The range of EV/EBITDA ratios among the Comparable Companies is between 4.05 times to 11.22 times. We also note that the mean and median EV/EBITDA ratio of the Comparable Companies as at the Latest Practicable Date is 8.21 and 8.96 times, respectively. The EV/EBITDA ratio of the Group as implied by the Issue Price of 13.74 times is above the range of the EV/EBITDA ratios and above both the mean and median EV/EBITDA ratios of the Comparable Companies.

(h) With respect to the financial effects of the Proposed Acquisition:

(i) The NTA per Share of the enlarged Group will decrease from RMB2.46 to RMB1.87 mainly due to the issue of Consideration Shares based on the full dilution assuming the earn out profit thresholds for the financial year ended December 2016 being achieved but using the NTA for the financial year ended December 2014.

(ii) The earnings per Share of the enlarged Group will decrease from RMB0.046 to RMB0.036 mainly due to the issue of Consideration Shares based on the earn out profit thresholds for the financial year ended December 2016 being achieved but using the earnings for the financial year ended December 2014.

(iii) The gearing ratio of the enlarged Group will improve as a result of the Proposed Acquisition due mainly to the Proposed Acquisition being funded by the issuance of Consideration Shares.

Additionally, it should be noted that as highlighted in paragraph 6.2.3 above, the Target is being acquired at a P/E of 15.71 (assuming fulfilment of the Earn-Out Target) and 21.70 (based on the Initial Consideration only). With the Company currently trading at a P/E of 28.56 times, the Proposed Acquisition is earnings accretive.

(i) Other relevant considerations in relation to the Proposed Acquisition such as:

(i) The Independent Shareholders' interest in the Company will be diluted from 89.21% to 79.36% pursuant to the Proposed Acquisition (assuming the fulfilment of the Earn-Out Target).

(ii) Mr. Chen Wei Ping's indemnity provided.

(iii) The interested person, Mr. Chen Wei Ping, abstained from voting or making any recommendation on the Proposed Acquisition.

After having carefully considered the information available to us, and based upon the financial, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date as well as the considerations set out in this Letter in its entirety, we are of the opinion that, on balance, the IPT Acquisition is: (i) on normal commercial terms; and (ii) not prejudicial to the interests of the Company and the Independent Shareholders. Accordingly, we advise the Independent Directors to recommend the Independent Shareholders to vote in favour of the IPT Acquisition.

We wish to highlight that we were neither a party to the negotiations entered into by the Company in relation to the Proposed Acquisition, nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the S&P Agreement, and we do not warrant the merits of the Proposed Acquisition. Furthermore, we were not involved in the legal and financial due diligence that were conducted by the Company and its advisers on Huicheng Group.

This Letter is addressed to the Independent Directors for their benefit in connection with and for the purpose of their consideration of the Proposed Acquisition. The recommendation made by them to the Shareholders in relation to the Proposed Acquisition shall remain the sole responsibility of the Independent Directors. The Independent Directors should advise the Shareholders to refer to the Circular. If in doubt, these Shareholders should also consult their respective financial adviser.

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of NRA 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 faithfully

Kevin Scully
Executive Chairman
NRA Capital Pte. Ltd.

Raymond Lee
Director
NRA Capital Pte. Ltd.

MIDAS HOLDINGS LIMITED

(Incorporated in Singapore with limited liability)
(Company Registration Number: 200009758W)
(Singapore Stock Code: 5EN)
(Hong Kong Stock Code: 1021)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING (the "**EGM**") of **MIDAS HOLDINGS LIMITED** (the "**Company**") will be held on 29 April 2016 at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 9.00 a.m. on the same day and at the same venue) at SAFRA Mount Faber, 2 Telok Blangah Way, Crystal Room 1-3, Singapore 098803, for the purpose of considering and, if thought fit, passing with or without modifications, the following Ordinary Resolutions:

Unless otherwise defined or the context otherwise requires, all capitalized terms herein shall bear the same meaning as used in the circular dated 30 March 2016 issued by the Company to Shareholders (the "**Circular**").

AS ORDINARY RESOLUTION 1 – THE PROPOSED ACQUISITION BY THE COMPANY OF THE ENTIRE ISSUED SHARE CAPITAL OF HUICHENG CAPITAL LIMITED FOR A CONSIDERATION OF UP TO S$264 MILLION AS AN INTERESTED PERSON TRANSACTION

That:

(1) approval be and is hereby given for the acquisition of the entire issued share capital of Huicheng Capital Limited from the Vendors for an aggregate consideration of up to S$264 million (the "**Consideration**");

(2) the directors of the Company be and are hereby authorized to complete and do all such other acts and things, including executing any documents and amending or modifying the terms of any document as they or he may consider necessary, desirable or expedient in connection with or for the purposes of giving full effect to this Ordinary Resolution 1 as they or he think(s) fit in the interests of the Company.

The passing of Ordinary Resolution 1 is conditional upon the passing of Ordinary Resolution 2 and the passing of Ordinary Resolution 2 is conditional upon the passing of Ordinary Resolution 1.

AS ORDINARY RESOLUTION 2 – THE PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 733,333,330 SHARES IN THE CAPITAL OF THE COMPANY UNDER SPECIFIC MANDATE (REPRESENTING 60.23% OF THE SHARES OF THE COMPANY CURRENTLY IN ISSUE) AT S$0.36 PER SHARE IN SATISFACTION OF THE CONSIDERATION FOR THE PROPOSED ACQUISITION

That:

(1) approval be and is hereby given for the Consideration to be satisfied by, conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Consideration Shares and the satisfaction (or waiver) of the other conditions precedent to closing of the S&P Agreement, the allotment and issue to the Vendors of up to 733,333,330 Consideration Shares in the issued share capital of the Company at the Issue Price of S$0.36 per Consideration Share; and

(2) the directors of the Company be and are hereby authorized to complete and do all such other acts and things, including executing any documents and amending or modifying the terms of any document as they or he may consider necessary, desirable or expedient in connection with or for the purposes of giving full effect to this Ordinary Resolution 2 as they or he think(s) fit in the interests of the Company.

The passing of Ordinary Resolution 1 is conditional upon the passing of Ordinary Resolution 2 and the passing of Ordinary Resolution 2 is conditional upon the passing of Ordinary Resolution 1.

AS ORDINARY RESOLUTION 3 – THE PROPOSED ADOPTION OF MIDAS PERFORMANCE SHARE PLAN 2016

That:

(1) a new share incentive scheme to be known as the "Midas Performance Share Plan" (the "**Midas Performance Share Plan 2016**"), under which awards ("**Awards**") of fully paid ordinary shares ("**Shares**"), their equivalent cash value or combinations thereof will be granted, free of payment, to eligible participants under the Plan, the rules and details of which are set out in the Circular, be and is hereby approved and adopted with effect from the date of the EGM;

(2) the directors of the Company be and are hereby authorized:

(a) to establish and administer the Midas Performance Share Plan 2016;

(b) to modify and/or alter the Midas Performance Share Plan 2016 at any time and from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the Midas Performance Share Plan 2016, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Midas Performance Share Plan 2016; and

(c) subject to the same being allowed by law, to apply any existing Share held in treasury and to deliver such existing Shares towards the satisfaction of Awards granted under the Midas Performance Share Plan 2016;

(3) the directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the Midas Performance Share Plan 2016 and to allot and issue from time to time such number of fully paid-up Shares as may be required to be delivered pursuant to the vesting of Awards under the Midas Performance Share Plan 2016, provided that:

(a) the maximum number of new Shares which may be issued pursuant to the Awards granted under the Midas Performance Share Plan 2016 shall not, when aggregated with the total number of new Shares issued and issuable in respect of all Awards granted under the Midas Performance Share Plan 2016, exceed such number of Shares as shall represent 15% of the issued share capital of the Company (excluding treasury shares) as at the date of passing of this resolution; and

(b) the total number of new Shares which may be issued or Shares which may be delivered pursuant to Awards granted under the Midas Performance Share Plan 2016, when added to the total number of new Shares issued and issuable or existing Shares delivered and deliverable in respect of: (i) all Awards granted under the Midas Performance Share Plan 2016; and (ii) all Shares, options or awards granted under any other share scheme of the Company then in force, shall not exceed 15% of the issued share capital of the Company (excluding treasury shares) on the day preceding the relevant date of the Award; and

(4) the directors of the Company be and are hereby authorized to complete and do all such other acts and things, including executing any documents and amending or modifying the terms of any document as they or he may consider necessary, desirable or expedient in connection with or for the purposes of giving full effect to this Ordinary Resolution 3 as they or he think(s) fit in the interests of the Company.

BY ORDER OF THE BOARD
Midas Holdings Limited
(Company Registration No. 200009758W)

Tan Cheng Siew
Company Secretary

Singapore
30 March 2016

NOTES:

(1) A member entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company.

(2) The instrument appointing a proxy or proxies that has been executed by a member, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof), must be lodged at the registered office of the Company at 4 Shenton Way, #18-03 SGX Centre 2, Singapore 068807 (for Singapore Shareholders), or at the Hong Kong share registrar of the Company, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong (for the Hong Kong Shareholders), not less than forty-eight (48) hours before the time appointed for the EGM. The sending of the Proxy Form by a member does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

(3) By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder or, as the case may be, a Depositor (i) consents to the collection, use and disclosure of the Shareholder's or, as the case may be, the Depositor's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Shareholder or, as the case may be, the Depositor discloses the personal data of the Shareholder's or, as the case may be, the Depositor's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Shareholder or, as the case may be, the Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder or, as the case may be, the Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's or, as the case may be, the Depositor's breach of warranty.

(4) As at the date of this notice, the executive directors of the Company are Mr. Chen Wei Ping and Mr. Chew Hwa Kwang, Patrick; and the independent non-executive directors of the Company are Mr. Chan Soo Sen, Dr. Xu Wei Dong and Mr. Tong Din Eu.

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MIDAS HOLDINGS LIMITED

(Incorporated in Singapore with limited liability)
(Company Registration Number: 200009758W)
(Singapore Stock Code: 5EN)
(Hong Kong Stock Code: 1021)

IMPORTANT:

CPF Investors:

1. For investors who have used their CPF monies to buy shares of Midas Holdings Limited, the Circular dated 30 March 2016 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 30 March 2016.

PROXY FORM

*I/We, _____

of _____

being a *member/members of Midas Holdings Limited (the "**Company**"), hereby appoint *Mr/Mrs/Ms:

Name	Address	NRIC/ Passport No.	Proportion of Shareholding	
			No. of Shares	%

*and/or failing *him/her (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholding	
			No. of Shares	%

or failing *him/her, the Chairman of the EGM as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the EGM of the Company to be held on 29 April 2016 at 10.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 9.00 a.m. on the same day and at the same venue) at SAFRA Mount Faber, 2 Telok Blangah Way, Crystal Room 1-3, Singapore 098803, and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the ordinary resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Resolution	**No. of votes "For"	**No. of votes "Against"
Ordinary Resolution 1 To approve the Proposed Acquisition		
Ordinary Resolution 2 To approve the proposed issue of the Consideration Shares under specific mandate		
Ordinary Resolution 3 To approve the proposed Midas Performance Share Plan 2016		

* Delete accordingly

** If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick (√) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the relevant resolution, please insert the relevant number of Shares in the boxes provided.

Signed this _____ day of _____ 2016.

Total Number of Shares in:	No. of Shares:
(a) CDP register	
(b) Register of Members	

_____
Signature of Member(s) or Common Seal of Corporate Member

NOTES:

1. A member should insert the total number of Shares held. If the member has Shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members, he should insert that number of Shares. If the member has Shares entered against his name in the Depository Register as well as Shares registered in his name in the Register of Members, he should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by the member.

2. A member of the Company entitled to attend and vote at the EGM is entitled to appoint more than one proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member of the Company appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent. of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

4. The instrument appointing a proxy or proxies that has been executed by a member, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof), must be lodged at the registered office of the Company at 4 Shenton Way, #18-03 SGX Centre 2, Singapore 068807 (for Singapore Shareholders), or at the Hong Kong share registrar of the Company, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong (for Hong Kong Shareholders), not less than forty-eight (48) hours before the time appointed for the EGM. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

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

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act.

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

8. Terms not defined herein have the meanings ascribed to them in the Circular dated 30 March 2016.

9. A Depositor's name must appear on the Depository Register maintained by CDP at least forty-eight (48) hours before the time appointed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

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