



Independent Auditor's Report on the Review of Condensed Combined Interim Financial Information

To the management of Perrot Duval Holding SA, Geneva

We have been engaged to review the accompanying condensed combined interim financial information (condensed combined balance sheet, condensed combined income statement, condensed combined statement of changes in equity, condensed combined cash flow statement and selected explanatory notes) of Infranor Holding SA and its subsidiaries and Bleu Indim SA (together the Reporting Entity) for the 6-month period ended 31 October 2018.

This condensed combined interim financial information are the responsibility of the management of Perrot Duval Holding SA. Our responsibility is to issue a report on this condensed combined interim financial information based on our review.

We conducted our review in accordance with the Swiss Auditing Standard 910 „Engagements to Review Financial Statements“. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the condensed combined interim financial information is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the condensed combined interim financial information of the Reporting Entity has not been prepared, in all material respects, in accordance with Swiss GAAP FER 31 paragraphs 9 - 12 Interim Financial Reporting.

The comparative information in the condensed combined income statement, condensed combined statement of changes in equity and condensed combined cash flow statement has not been reviewed.

The Reporting Entity has not operated as a separate group of entities. The condensed combined interim financial information is, therefore, not necessarily indicative of the financial position and financial performance that would have been achieved if the Reporting Entity had operated as a separate group of entities, nor may it be indicative of the results of operations of the Reporting Entity for any future period. The condensed combined interim financial information is prepared for the purpose of providing financial information on the Reporting Entity in the context of the planned sale of the Reporting Entity to Guangzhou Hao Zhi Industrial Co. Ltd., China. As a result, the condensed combined interim financial information may not be suitable for another purpose.

KPMG SA

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Neuchâtel, 28 February 2019

Enclosure:

- Condensed combined interim financial information (condensed combined balance sheet, condensed combined income statement, condensed combined statement of changes in equity, condensed combined cash flow statement and selected explanatory notes)

Condensed combined Balance Sheet

| CHF 1,000 | 31.10.18 | 30.04.18 |
|--|----------------|----------------|
| Assets | | |
| Cash and cash equivalents | 2 834 | 2 866 |
| Trade accounts receivable | 6 575 | 7 307 |
| Other receivables | 1 204 | 1 175 |
| Other receivables from related parties | 1 060 | 1 094 |
| Inventories | 8 906 | 8 974 |
| Prepaid expenses | 606 | 670 |
| Total current assets | 21 185 | 22 086 |
| Financial assets | 222 | 193 |
| Property, plant and equipment | 5 648 | 6 037 |
| Intangible assets | 4 691 | 4 458 |
| Deferred tax assets | 1 260 | 1 365 |
| Total non-current assets | 11 821 | 12 053 |
| Total assets | 33 006 | 34 139 |
| Liabilities and shareholders' equity | | |
| Interest-bearing current financial liabilities | 7 665 | 7 501 |
| Trade accounts payable | 3 234 | 3 924 |
| Other current liabilities | 1 193 | 1 322 |
| Other current liabilities due to related parties | 630 | 333 |
| Accruals | 1 773 | 2 012 |
| Short-term provisions | 395 | 392 |
| Provision for income taxes | 26 | 19 |
| Total current liabilities | 14 916 | 15 503 |
| Interest-bearing non-current financial liabilities | 6 757 | 7 140 |
| Interest-bearing non-current loan due to related parties | 11 960 | 11 960 |
| Long-term provisions | 360 | 370 |
| Deferred tax liabilities | 809 | 778 |
| Total non-current liabilities | 19 886 | 20 248 |
| Total liabilities | 34 802 | 35 751 |
| Share capital | 9 170 | 9 170 |
| Retained earnings | (7 427) | (7 883) |
| Currency translation differences | (3 539) | (2 899) |
| Shareholders' equity | (1 796) | (1 612) |
| Total liabilities and shareholders' equity | 33 006 | 34 139 |

Condensed combined Income Statement

| CHF 1,000 | 1 st Half-year 18/19 | 1 st Half-year 17/18 |
|---|------------------------------------|------------------------------------|
| Net sales | 19 362 | 18 878 |
| Cost of materials | (8 249) | (8 047) |
| Change in inventories (work in progress & finished goods) | (430) | (375) |
| Personnel costs | (6 272) | (6 583) |
| General and administrative costs | (383) | (402) |
| Sales costs | (458) | (472) |
| Other operating expenses | (1 247) | (1 215) |
| Other operating income | 188 | 230 |
| Depreciation and amortization | (676) | (652) |
| Management Fees to related parties | (357) | (293) |
| Operating Result (EBIT) * | 1 478 | 1 069 |
| Financial income | 2 | 0 |
| Financial income from related parties | 15 | 17 |
| Financial expenses | (343) | (368) |
| Financial expenses to related parties | (180) | (161) |
| Financial result | (506) | (512) |
| Profit before taxes | 972 | 557 |
| Taxes | (266) | (208) |
| Net Profit | 706 | 349 |

* the foreign-currency gain or loss related to operational activity are accounted in Financial income or expense.

Condensed combined Cash Flow Statement

Indirect method with cash and cash equivalents CHF 1,000

| | 1st Half- year 18/19 | 1st Half- year 17/18 |
|--|----------------------------|----------------------------|
| Net Profit | 706 | 349 |
| Depreciation/amortization of fixed assets | 676 | 652 |
| Financial result | 506 | 512 |
| Taxes | 266 | 208 |
| Change in provisions and other non-cash items | (11) | (14) |
| Payments out of provisions | (85) | (44) |
| Income taxes paid | (224) | 17 |
| Change in trade accounts receivable | 533 | 154 |
| Change in inventories | (266) | (466) |
| Change in other current assets | 80 | (121) |
| Change in trade accounts payable | (534) | 55 |
| Change in other current liabilities | 61 | (461) |
| Cash flow from operating activities | 1 708 | 841 |
| Investments in financial assets | 23 | (353) |
| Disposal of financial assets | 0 | 339 |
| Investments in property, plant and equipment | (215) | (283) |
| Disposal of property, plant and equipment | 0 | 0 |
| Investments in intangible assets | (705) | (396) |
| Disposal of intangible assets | 0 | 0 |
| Interests received | 18 | 19 |
| Cash flow used in investing activities | (879) | (674) |
| Increase in current financial liabilities | 526 | 552 |
| Repayment of current financial liabilities | (154) | (747) |
| Increase in non-current financial liabilities | 35 | 583 |
| Increase in non-current financial liabilities from related parties | 0 | 0 |
| Repayment of non-current financial liabilities | (362) | (170) |
| Interests and other financial expenses paid | (550) | (433) |
| Dividend payment | (250) | 0 |
| Cash flow used in financing activities | (755) | (215) |
| Currency translation differences on cash and cash equivalents | (106) | 102 |
| Change in cash and cash equivalents | (32) | 54 |
| Cash and cash equivalents at the beginning of the year | 2 866 | 2 094 |
| Cash and cash equivalents at the end of the year | 2 834 | 2 148 |
| Change in cash and cash equivalents | (32) | 54 |

Condensed combined Statement of Change in Equity

| CHF 1,000 | Share capital | Retained earnings | Currency translation differences | Total shareholders' equity |
|--------------------------------------|---------------|-------------------|----------------------------------|----------------------------|
| Balance as at 30.04.17 | 9 170 | (9 268) | (3 710) | (3 808) |
| Net currency translation differences | | | 619 | 619 |
| Net profit | | 349 | | 349 |
| Dividend | | | | 0 |
| Balance as at 31.10.17 | 9 170 | (8 919) | (3 091) | (2 840) |
| Balance as at 30.04.18 | 9 170 | (7 883) | (2 899) | (1 612) |
| Net currency translation differences | | | (640) | (640) |
| Net profit | | 706 | | 706 |
| Dividend | | (250) | | (250) |
| Balance as at 31.10.18 | 9 170 | (7 427) | (3 539) | (1 796) |

Definition of the components of equity:

- The share capital is the capital of the division Infranor's parent company, Infranor Holding S.A. (9.120 million CHF) and the capital of Bleu Indim SA (0.050 million CHF).
- Retained earnings comprise the goodwill from business acquisitions that was accounted for directly in equity in the past as well as the non-distributable reserves resulting from profits and accumulated results retained in the reporting entities.
- Currency translation differences comprise all currency translation differences arising from the currency conversions of foreign reporting entities.

Notes to the Condensed Combined Interim Financial Information

Segment report and sales by region

Since the activities of the reporting entities are concentrated in only one segment (Automation of motion / INFRANOR GROUP) the segment reporting only comprises a split of the net sales by region.

| CHF 1,000 | Nets sales by region | |
|---------------------------|------------------------|------------------------|
| | 1st Half-year 18/19 | 1st Half-year 17/18 |
| Europe/Middle East/Africa | 14 149 | 14 279 |
| North and South America | 1 032 | 1 643 |
| Asia/Pacific | 4 181 | 2 956 |
| Total | 19 362 | 18 878 |

Condensed combination principles and accounting policies

General

Perrot Duval Holding S.A. ("Perrot Duval", a company listed on the SIX Swiss Exchange) and its subsidiaries (together the Perrot Duval Group) is active in automation technologies, particularly in the field of process automation (Füll Process S.A.) and industrial automation (Infranor Holding SA) respectively. Perrot Duval Holding S.A. among others holds 100% of the shares of Infranor Holding S.A. and its subsidiaries as well as 100% of the shares in Bleu-Indim S.A.

Perrot Duval has received and accepted a firm offer from the company Guangzhou Hao Zhi Industrial Co. Ltd. (Guangzhou, China) to buy its entire stake in Infranor Holding SA (along with its 11 subsidiaries) and Bleu-Indim SA. The completion of this transaction will depend on the results of the due diligence procedure performed by Guangzhou. The deal further needs to be approved by the Chinese authorities, as well as by the Shareholders of both Perrot Duval and Guangzhou.

The condensed combined interim financial information have been derived from the consolidated half-year report of Perrot Duval which have been prepared in accordance with Swiss GAAP FER 31 "Complementary recommendation for listed companies". Neither Infranor Holding S.A. nor Bleu Indim SA have previously prepared stand-alone financial statements in accordance with Swiss GAAP FER 31.

Bleu Indim SA has been combined with the consolidation of the Group Infranor. The company hold a building which hosts a production subsidiary of Infranor Group (Mavilor Motors S.A.) in Sta.Perpetua de Mogoda (Spain).

The Infranor Group, through its parent company Infranor Holding S.A., is active in automation technologies, particularly in the field of industrial automation. The Infranor Group develops, produces and sells advanced original technological components and solutions worldwide.

In the consolidated financial statements of Perrot Duval Group, Infranor Group is presented as a separate segment. Bleu-Indim S.A. is included in "Others".

The accounting policies applied in the condensed combined interim financial information are consistent with the accounting policies applied in the Perrot Duval consolidated financial statements.

Infranor Holding SA and its subsidiaries and Bleu-Indim SA are identified hereafter as "the Reporting Entity".

Perrot Duval Holding S.A. and its remaining subsidiaries are considered as related parties in this condensed combined interim financial information 2018/19 and are not consolidated.

Basis of preparation

Those condensed combined interim financial information for the period from 1 May 2018 to 31 October 2018 have been prepared in accordance with the rules of Swiss GAAP FER 31 "Complementary recommendation for listed companies", which – compared with the annual financial statements – permit shorter versions in terms of presentation and disclosure. The condensed combined interim financial information – consisting of the condensed combined balance sheet as at 31 October 2018, the condensed combined income statement, condensed combined statement of changes in equity, condensed combined cash flow statement and selected explanatory notes – are based on the individual financial statements of the reporting entities (as defined in paragraph "Companies included in the combination") as at 31 October 2018 which were prepared on a uniform basis and in accordance with Swiss GAAP FER by applying uniform accounting policies.

The condensed combined interim financial information are based on the accounting principles set out in the 2017/18 combined financial statement of the reporting entities.

The condensed combined interim financial information are presented in Swiss francs (1,000 CHF).

The condensed combined interim financial information have been prepared on a going concern basis which the management of Perrot Duval Holding SA believe to be appropriate. The negative equity is mainly due to historical losses. The going concern is conditioned by maintaining the shareholder's loan presented in the caption "Interest-bearing non-current loan due to related parties" in the present condensed combined interim financial information. The management of Perrot Duval is confident for the future of the reporting entities based on the fact that the Infranor Division is profitable since the year 2009/2010.

Combination principles

The condensed combined interim financial information cover all entities that are controlled by Infranor Holding S.A., which normally is the case when Infranor Holding S.A. holds directly or indirectly more than 50 percent of the voting rights and Bleu Indim SA. Newly acquired companies are consolidated from the date of their acquisition.

Entities controlled by Infranor Holding SA are consolidated by applying the purchase method. The assets and liabilities of newly acquired companies are recognized at fair value at the time of acquisition.

All transactions and balances between the reporting entities are eliminated in the combination. Intragroup profits generated from internal transactions between the reporting entities are eliminated.

Companies included in the combination

The following companies were fully integrated in the combination as of 31 October 2018 and 31 October 2017:

| the Reporting Entities | Activity 1) | Currency | Share capital | Participation 31 October 2018 | Participation 31 October 2017 | Year founded |
|--|----------------|----------|---------------|-------------------------------------|-------------------------------------|-----------------|
| Bleu-Indim S.A., CH-Freiburg | F | CHF | 50,000 | 100.0% | 100.0% | 1984 |
| Infranor Holding S.A., CH-Yverdon-les-Bains | F,S | CHF | 9,120,000 | 100.0% | 100.0% | 1941 |
| Infranor AG, CH-Zurich | E | CHF | 450,000 | 100.0% | 100.0% | 1953 |
| Infranor S.A.S., F-Lourdes | P, E | EUR | 919,496 | 100.0% | 100.0% | 2005 |
| Infranor GmbH, D-Hanau | P, E | EUR | 152,000 | 100.0% | 100.0% | 1968 |
| Infranor B.V., NL-Nieu Vennepe* | E | EUR | 100,000 | 0.0% | 0.0% | 1986 |
| Infranor Inc., USA-Wilmington, MA | E | USD | 1,620 | 100.0% | 100.0% | 1982 |
| Infranor Motion Control Technology (Shanghai) Co. Ltd., CN-Shanghai | E | CNY | 1,478,975 | 100.0% | 100.0% | 2009 |
| Infranor Spain S.L.U., E-Badalona | E | EUR | 150,000 | 100.0% | 100.0% | 2006 |
| Mavilor Motors S.A. E-Sta.Perpetua de Mogoda | P | EUR | 135,000 | 100.0% | 100.0% | 1973 |
| Infranor S.r.l., I-Milano | E | EUR | 100,000 | 100.0% | 100.0% | 2004 |
| Infranor Ltd., UK-Woodbridge | E | GBP | 200,000 | 100.0% | 100.0% | 1983 |
| Cybelec S.A., CH-Yverdon-les-Bains | P | CHF | 250,000 | 100.0% | 100.0% | 1970 |
| Cybelec Numerical Control Technology (Shanghai) Co. Ltd., CN-Shanghai | P | CNY | 2,811,100 | 100.0% | 100.0% | 2006 |

1) E = Engineering and Sales P = Production, Development and Sales F = Finance S = Service

* Infranor B.V. has been deleted from the dutch company register in november 2017. The business has been transferred to Infranor GmbH in Hanau, Germany.

Seasonal Influences

Due to the long summer holidays in Italy, Spain and France, the first half-year (1 May to 31 October) is traditionally weaker in terms of orders received and net sales.

Foreign-currency translation

The following exchange rates were used:

(CHF)

| | Closing rates | | Average rates for the 1 st half-year | |
|-----|---------------|----------|---|----------|
| | 31.10.18 | 30.04.18 | 31.10.18 | 31.10.17 |
| USD | 1.0063 | 0.9896 | 0.9756 | 0.9721 |
| EUR | 1.1403 | 1.1978 | 1.1585 | 1.1286 |
| GBP | 1.2824 | 1.3592 | 1.3096 | 1.2712 |
| CNY | 0.1443 | 0.1563 | 0.1485 | 0.1451 |

Net indebtedness

| CHF 1,000 | 31.10.18 | 31.10.17 |
|--|-----------------|-----------------|
| Cash and cash equivalents | 2 834 | 2 866 |
| Current interest-bearing financial liabilities | (7 665) | (7 501) |
| Non-current interest-bearing financial liabilities | (6 757) | (7 140) |
| Non-current Loan from related parties bearing interest | (11 960) | (11 960) |
| Total net indebtedness | (23 548) | (23 735) |

Events after the balance sheet date

Between the balance sheet date and the date of the approval of the condensed combined interim financial information by the management of Perrot Duval Holding SA, no events occurred which could have a material impact on the condensed combined interim financial information for the half-year 2018/19.

Approval of the condensed combined interim financial information

The condensed combined interim financial information were authorized for issue by the management of Perrot Duval Holding SA at its meeting on 28 February 2019.