

WING TAI HOLDINGS LIMITED
(Company Registration No. 196300239D)
(Incorporated in the Republic of Singapore)

SGX-ST Announcement

For immediate release

VOLUNTARY UNCONDITIONAL CASH OFFER FOR WING TAI MALAYSIA BERHAD (“WTM”)

1. INTRODUCTION

- 1.1 **Voluntary Unconditional Offer.** The Board of Directors of Wing Tai Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that on 23 May 2017, the Company and Wing Tai Investment & Development Pte Ltd (“**WTID**”) (collectively referred to as “**Joint Offerors**”) had, through Maybank Investment Bank Berhad (“**Maybank IB**”), served a notice of unconditional voluntary take-over offer (“**Notice**”), to acquire all the issued ordinary shares of Wing Tai Malaysia Berhad (“**WTM Shares**”) not already owned by the Joint Offerors (the “**Offer Shares**”) for a cash offer price of RM 1.80 per Offer Share (“**Offer Price**”) (the “**Offer**”).

For the avoidance of doubt, the Company and WTID directly hold 222,373,371 and 91,938,468 WTM Shares respectively, representing approximately 66.13% of the issued share capital of WTM (which excludes the 12,021,000 WTM Shares held by WTM as treasury shares) as at the date of this Announcement (“**Announcement Date**”). A copy of the Notice is attached as an Appendix to this Announcement.

As such, the Offer Shares shall comprise:

- (i) 160,997,459 WTM Shares, representing approximately 33.87% of the voting shares of WTM as at the Announcement Date; and
 - (ii) new WTM Shares (if any) that may be issued by WTM upon the vesting of share awards granted under the WTM Restricted Share Plan (“**WTM RSP**”) before the closing date of the Offer. As at the Announcement Date, there are 512,900 outstanding share awards (“**Awards**”) under the WTM RSP.
- 1.2 **Financial Adviser.** Maybank IB has been appointed as the financial advisor to the Joint Offerors in respect of the Offer.
- 1.3 **Chapter 10 of the Listing Manual.** This Announcement is made in compliance with Chapter 10 of the listing manual of the SGX-ST and should be read in conjunction with the Notice.

2. THE OFFER

- 2.1 **Terms and Conditions of the Offer.** The Offer is made by the Joint Offerors subject to and upon the following principal terms and condition, unless otherwise directed or permitted to be varied by the Securities Commission Malaysia (“**SC**”):

2.1.1 The Offer is made on the following basis:

For each Offer Share: RM1.80 in cash.

2.1.2 Notwithstanding this, if WTM declares, makes or pays any dividend and/or other distribution on or after the date of the Notice but prior to the closing date of the Offer and the holder of the Offer Shares (“**Holder**”) is entitled to retain such dividend and/or distribution, the Offer Price shall be reduced by the amount equivalent to the net dividend and/or distribution per WTM Share to which such Holder is entitled.

2.1.3 The Joint Offerors are not aware of any dividend and/or other distribution having been declared but not paid by WTM as at the date of the Notice.

2.1.4 The Offer Shares are to be acquired on the basis of a valid acceptance of the Offer by a Holder made in accordance with the provisions of the offer document detailing the terms and conditions of the Offer. Such acceptance will be deemed to constitute an irrevocable and unconditional warranty by the accepting Holder that the Offer Shares, to which such acceptance relates, are sold:

- (a) free from all moratoriums, claims, charges, liens, pledges, encumbrances, options, rights of pre-emption, third party rights and equities from the date of valid acceptances; and
- (b) with all rights, benefits and entitlements attached thereto, including the right to all dividends and/or distributions declared, paid or made on or after the date of the Notice, subject to Section 3.1 of the Notice.

2.2 **Unconditional Offer.** The Offer is not subject to any minimum level of acceptances of the Offer Shares as the Joint Offerors already hold more than 50.0% of the voting shares in WTM.

3. INFORMATION ON WTM

WTM is a public company limited by shares incorporated in Malaysia on 8 July 1966 and is listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") since January 1979. The principal activity of WTM is investment holding. Through its subsidiaries, WTM is involved in property development and investment, retail operations, garment manufacturing and investment holding. As at the Announcement Date, WTM has an issued share capital of approximately RM487 million comprising 475,309,298 issued WTM Shares (excluding 12,021,000 WTM Shares held by WTM as treasury shares).

4. RATIONALE FOR THE OFFER

The Company, through its subsidiaries, is principally involved in property development and investment, among others, and is focused on key markets in the Asia Pacific region namely, Singapore, Malaysia, Australia, Hong Kong and China. WTID is a wholly-owned subsidiary of the Company and is principally involved in investment holding. The Offer would allow the Group to further integrate their financial and operational resources which should result in costs saving and achieve better operational efficiencies.

In addition, the Joint Offerors, being the controlling shareholders of WTM, intend to take WTM private by offering the minority shareholders of WTM the opportunity to exit and to realise their investments for cash at the Offer Price.

Should the Offer result in the Joint Offerors successfully de-listing and owning 100% of WTM, the Joint Offerors shall have greater flexibility to facilitate ease of review and execution of any restructuring plan for WTM and its subsidiaries (the "**WTM Group**"), where necessary.

5. AGGREGATE CONSIDERATION FOR THE OFFER

5.1 **Assumed Maximum Consideration.** Based on the Offer Price, and assuming that:

- (a) the total number of Offer Shares is 161,510,359 WTM Shares, comprising 160,997,459 WTM Shares not already owned by the Joint Offerors and 512,900 WTM Shares which would be in issue if WTM Shares under all outstanding Awards are issued and delivered; and
- (b) the Joint Offerors receive, by the close of the Offer, valid acceptances for all of the Offer Shares,

the maximum aggregate consideration payable by the Joint Offerors for the acquisition of all the Offer Shares pursuant to the Offer would be RM290.7 million (“**Assumed Maximum Consideration**”).

- 5.2 **Basis for arriving at the Offer Price.** The Offer Price was arrived at taking into account, *inter alia*, the historical market prices of WTM Shares. The Offer Price represents a premium to the following last traded price of RM 1.18 per WTM Share on 22 May 2017, being the last full trading day prior to the day of service of the Notice (“**Last Traded Day**”).
- 5.3 **Funding for the Offer.** The acquisition of the Offer Shares will be funded by internal cash resources of the Company. The Joint Offerors have confirmed that they have sufficient financial resources to satisfy full acceptance of the Offer. Maybank IB, as the Financial Advisor to the Joint Offerors in connection with the Offer, has confirmed that sufficient financial resources are available to the Joint Offerors to satisfy the full acceptance of the Offer.
- 5.4 **Value of WTM Shares.** Based on the latest audited results of WTM for the financial year ended 30 June 2016, the net asset value (“**NAV**”) per WTM Share was RM 2.70 and the net tangible asset (“**NTA**”) per WTM Share was RM 2.70. The last transacted price of WTM Shares on Bursa Securities on 22 May 2017 (being the Last Traded Date) was RM 1.18 per WTM Share.
- 5.5 **Net Profits of WTM.** Based on the latest audited results of WTM for the financial year ended 30 June 2016, WTM recorded a profit before income tax, minority interests and extraordinary items of approximately RM 28.4 million in FY2016 and the earnings per WTM Share was approximately 2.24 cents.

6. CHAPTER 10 OF THE LISTING MANUAL

- 6.1 **Discloseable Transaction.** Rule 1010 of the Listing Manual provides that where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual (“**Rule 1006**”) exceeds 5 per cent. but does not exceed 20 per cent., the transaction is classified as a discloseable transaction and the Company must, after terms have been agreed, immediately announce the Offer and the details thereof under Rule 1010 of the Listing Manual.
- 6.2 **Relative Figures for the Offer.** Assuming that the Company acquires all the Offer Shares at the Assumed Maximum Consideration, the relative figures for the Offer computed on the bases set out in Rule 1006 of the Listing Manual, are as follows:

Relative Bases under Rule 1006	Percentage (%)
(a) NAV of the assets to be disposed of, compared with the consolidated NAV of the Group	Not applicable for acquisitions
(b) Net profits attributable to the Offer Shares to be acquired compared with the net profits of the Group ⁽¹⁾	15
(c) Aggregate value of consideration payable, compared with the Company’s market capitalization based on the total number of issued shares excluding treasury shares ⁽²⁾	7
(d) Number of ordinary shares in the Company (“ Company Shares ”) to be issued by the Company as consideration for the acquisition of the Offer Shares, compared with the number of Company Shares in issue	Not applicable as no Company Shares will be issued

Notes:

(1) Net profit is defined as profit or loss before taxation, minority interests and extraordinary items.

- (2) The market capitalisation of the Company is calculated on the basis of 773,758,760 Company Shares in issue as at the Announcement Date and last traded price of S\$1.845 for each Company Share on 22 May 2017, being the last market day on which Company Shares were traded immediately before the Announcement Date.

As the relative figure computed on the basis set out in Rule 1006(c) exceeds 5 per cent. but does not exceed 20 per cent., the Offer, if made, would constitute a discloseable transaction under Chapter 10 of the Listing Manual.

7. FINANCIAL EFFECTS OF THE OFFER

For illustrative purposes only, a summary of the proforma financial effects of the Offer on the Group is set out below. The proforma financial effects are prepared purely for illustration and do not reflect the actual financial situation of the Group after the completion of the Offer.

The proforma financial effects of the Offer on the consolidated earnings per Company Share (“EPS”) and consolidated net tangible assets (“NTA”) per Company Share, are set out below, and have been prepared using the respective audited consolidated financial statements of the Company and the Group for the financial year ended 30 June 2016, and are based on the following key assumptions:

- (a) the Company acquires all the Offer Shares and owns 100 per cent. of WTM;
- (b) all of the Offer Shares were acquired at the Offer Price;
- (c) the Offer had been completed on 1 July 2015 (being the beginning of the most recently completed financial year of the Company) for the purpose of computing the financial effects on the consolidated EPS;
- (d) the Offer had been completed on 30 June 2016 (being the end of the most recently completed financial year of the Company) for the purpose of computing the financial effects on the consolidated NTA per Company Share;
- (e) the financial effects computation below have taken into account estimated transaction costs of S\$500,000; and
- (f) there is no impact on the profit and loss of the Group as a result of any goodwill arising from the Offer.

Effect on EPS

	Financial Year ended 30 June 2016	After the Offer
Consolidated Earnings (S\$'000) ⁽¹⁾	7,079	9,655
Weighted Average No. of Company Shares ('000)	777,271	777,271
EPS (S\$)	0.91	1.24

Note:

- (1) Profit after taxation and minority interests.

Effect on NTA per Company Share

	As at 30 June 2016	After the Offer
NTA (S\$'000)	3,122,709	3,168,663
No. of issued Company Shares ⁽¹⁾ ('000)	772,509	772,509
NTA per Company Share (S\$)	4.04	4.10

Note:

(1) Based on the number of shares in issue as at 30 June 2016, excluding treasury shares.

8. FURTHER INFORMATION RELATING TO THE OFFER

8.1 Directors' Service Contracts.

No person is proposed to be appointed as a director of the Company in connection with the Offer. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8.2 Interest of Directors and Substantial Shareholders.

Mr. Cheng Wai Keung is the managing director of WTM and holds direct interests in 1,334,450 and indirect interests in 314,559,561 WTM Shares as at the date of this Announcement.

Mr. Edmund Cheng Wai Wing is an executive director of WTM and holds direct interests in 1,334,450 and indirect interests in 314,559,561 WTM Shares as at the date of this Announcement.

Mr. Christopher Cheng Wai Chee, Mr. Edward Cheng Wai Sun, Deutsche Bank International Trust Co. (Cayman) Limited, Deutsche Bank International Trust Co. Limited and Wing Tai Asia Holdings Limited each holds indirect interests in 314,559,561 WTM Shares as at the date of this Announcement.

Wing Sun Development Private Limited holds direct interest in 247,722 and indirect interests in 314,311,839 WTM Shares as at the date of this Announcement.

Y. Bhg. Tan Sri Dato' Paduka Dr. Mazlan bin Ahmad is the Chairman of WTM.

Other than through their respective shareholdings in the Company and save as disclosed above, none of the Directors and/or Substantial Shareholders of the Company has any interest (direct and deemed) in WTM and the Offer.

BY ORDER OF THE BOARD

Gabrielle Tan / Ooi Siew Poh
Company Secretaries

Singapore
23 May 2017