

VOLUNTARY UNCONDITIONAL CASH OFFER

by



RHT CAPITAL PTE. LTD.

(Company Registration Number: 201109968H)
(Incorporated in the Republic of Singapore)

for and on behalf of

UNITED TECH INDUSTRIES LIMITED

聯科實業有限公司

(BVI Company Number: 1937050)
(Incorporated in the British Virgin Islands)

to acquire all of the issued and paid-up ordinary shares in the capital of



CHANGTIAN PLASTIC & CHEMICAL LIMITED

(Company Registration Number: 39836)
(Incorporated in Bermuda)

other than those already owned, controlled or agreed to be acquired by
the Offeror (as defined herein) and the parties acting in concert with it

OFFER ANNOUNCEMENT

1. INTRODUCTION

RHT Capital Pte. Ltd. ("**RHT Capital**") wishes to announce, for and on behalf of United Tech Industries Limited 聯科實業有限公司 ("**Offeror**"), that the Offeror intends to make a voluntary unconditional cash offer ("**Offer**") for all issued and paid-up ordinary shares of a par value of S\$0.50 each ("**Shares**") in the capital of Changtian Plastic & Chemical Limited ("**Company**", and together with its subsidiaries, "**Group**") other than those Shares already owned, controlled or agreed to be acquired, directly or indirectly, by the Offeror and the parties acting in concert with it ("**Offer Shares**").

2. THE OFFER

Subject to the terms and conditions set out in the offer document ("**Offer Document**") to be issued by RHT Capital, for and on behalf of the Offeror, the Offeror will make the Offer for all the Offer Shares, in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore, and Rule 15 of the Singapore Code on Take-overs and Mergers on the following basis:

2.1 Offer Price

The consideration for each Offer Share will be as follows:

For each Offer Share: S\$1.30 in cash ("Offer Price").

The Offeror does not intend to revise the Offer Price, save that the Offeror reserves the right to do so in a competitive situation.

2.2 Offer Shares

The Offer will be extended, on the same terms and conditions, to all the Offer Shares.

Based on publicly available information, the Company does not have any Shares held in treasury and does not have any outstanding instruments convertible into, rights to subscribe for, nor options (whether pursuant to an employee share option scheme or otherwise) in respect of, securities which carry voting rights of the Company.

2.3 Rights and Encumbrances

The Offer Shares will be acquired:

- (a) fully paid;
- (b) free from all liens, equities, mortgages, charges, pledges, claims, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever; and
- (c) together with all rights, benefits and entitlements attached thereto as at the date of this Offer Announcement ("**Offer Announcement Date**") and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, returns of capital and other distributions ("**Distributions**") (if any) which may be announced, declared, paid or made by the Company, on or after the Offer Announcement Date.

If any Distributions are announced, declared, paid or made by the Company on or after the Offer Announcement Date, and the Offeror is not entitled to receive such Distributions in full in respect of any Offer Share tendered in acceptance of the Offer, the Offeror reserves the right to reduce the Offer Price payable in respect of such Offer Share by the amount of such Distributions.

2.4 Unconditional

The Offer will be unconditional in all respects.

3. INFORMATION ON THE OFFEROR

3.1 The Offeror is an investment holding company incorporated in the British Virgin Islands on 15 February 2017 for the purpose of the Offer. As at the Offer Announcement Date, the Offeror has issued an aggregate of 1,000 ordinary shares with a par value of US\$1.00 each.

3.2 As at the Offer Announcement Date, Yang Qingjin is the sole director of the Offeror. Yang Qingjin and Chen Yongfu are the only shareholders of the Offeror with the following percentage shareholdings:

Name of shareholder of the Offeror	Number of shares in the Offeror	Percentage shareholding in the Offeror (%)
Yang Qingjin	461	46.1
Chen Yongfu	539	53.9
Total	1,000	100.0

3.3 Yang Qingjin and Chen Yongfu are also the founders and executive directors of the Company. Chen Yongfu is the brother-in-law of Yang Qingjin.

3.4 As at the Offer Announcement Date, the Offeror does not hold any Shares. However, parties acting in concert with the Offeror own, in aggregate, approximately 79.93% of the total number of issued Shares as set out in paragraph 5.2 of this Offer Announcement.

4. INFORMATION ON THE COMPANY

4.1 Based on publicly available information, the Company was incorporated in Bermuda on 29 March 2007 and has been listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) since 9 November 2007.

4.2 Based on the Company’s annual report for the financial year ended 31 December 2016, the issued and paid-up share capital of the Company is S\$33,000,000 comprising 65,999,998 Shares of S\$0.50 each. In addition, based on the Company’s first quarter financial statements for the three (3) months ended 31 March 2017 which were released by the Company on SGXNET on 10 May 2017, there were no changes in the Company’s share capital for the three (3) months ended 31 March 2017. Based on publicly available information, the Company does not have any Shares held in treasury and does not have any outstanding instruments convertible into, rights to subscribe for, nor options (whether pursuant to an employee share option scheme or otherwise) in respect of, securities which carry voting rights of the Company.

4.3 Based on publicly available information, the Company is principally engaged in the manufacture and sale of adhesive tapes, release papers and ultraviolet cured release films. Its operations are based in Xiamen City, Fujian Province, the People’s Republic of China.

4.4 As at the Offer Announcement Date, based on publicly available information, the board of directors of the Company are:

- (a) Yang Qingjin (Chairman and Executive Director);
- (b) Chen Yongfu (Deputy Chairman and Executive Director);
- (c) Yang Junqing (Executive Director);
- (d) Qiu Wei Cai (Finance Director and Executive Director);
- (e) Chan Yin David (Lead Independent Director);
- (f) Tan Siok Sing (Independent Director); and
- (g) Liao Quanwen (Independent Director).

5. IRREVOCABLE UNDERTAKINGS

5.1 Irrevocable Undertakings

Each of the shareholders of the Company ("**Shareholders**") listed in paragraph 5.2 of this Offer Announcement (who are not business partners or otherwise related to each other) (collectively, "**Undertaking Shareholders**") have acknowledged that they are acting in concert with the Offeror, and have provided irrevocable undertakings ("**Irrevocable Undertakings**") to the Offeror prior to the Offer Announcement Date stating that they shall, *inter alia*:

- (a) waive their rights to receive the Offer in respect of their respective Shares as set out in paragraph 5.2 of this Offer Announcement;
- (b) not transfer or otherwise dispose of any of their respective Shares as set out in paragraph 5.2 of this Offer Announcement during the period commencing from the date of the Irrevocable Undertakings and ending on the closing date of the Offer (as may be extended from time to time by or on behalf of the Offeror) or the abortion of the Offer, whichever is applicable;
- (c) not acquire any further Shares;
- (d) give and/or procure the giving of notice pursuant to Section 103 of the Companies Act 1981 of Bermuda (as amended) ("**Bermuda Companies Act**"), in order to assist the Offeror in exercising its (or their) rights of compulsory acquisition (if so entitled); and
- (e) vote and/or procure the voting of all of their Shares in favour of a delisting, if the Offeror makes a subsequent exit offer pursuant to Rule 1307 and 1309 of the Listing Manual of the SGX-ST ("**Listing Manual**").

5.2 Shareholdings of the Undertaking Shareholders

The shareholdings of the Undertaking Shareholders in the Company are as follows:

Name of Undertaking Shareholder	Number of Shares	Percentage shareholding in the Company ⁽¹⁾ (%)
Eastline Investments Holding Limited ⁽²⁾	16,980,000	25.73
Goodwise Investments Limited ⁽³⁾	19,855,000	30.08
Chen Chuanzhong	3,145,600	4.77
Zhu Chong Dong	3,073,300	4.66
Zhou Xianhui ⁽⁴⁾	3,246,630	4.92
Zhou Xin ⁽⁴⁾	3,165,400	4.80
Tang Jiang ⁽⁴⁾	3,287,200	4.98
Total	52,753,130	79.93⁽⁵⁾

Notes:

- (1) Based on the total number of issued Shares of 65,999,998 Shares.
- (2) Eastline Investments Holding Limited is a company incorporated in the British Virgin Islands and is wholly-owned by Yang Qingjin.
- (3) Goodwise Investments Limited is a company incorporated in the British Virgin Islands and is wholly-owned by Chen Yongfu.
- (4) Shares are held on the Undertaking Shareholder's behalf by UOB Kay Hian Private Limited as nominee.
- (5) Does not add up due to rounding.

5.3 Save for the Irrevocable Undertakings, as at the Offer Announcement Date, neither the Offeror nor any party acting in concert with it has received any irrevocable undertakings from any other party to accept or reject the offer.

6. FINANCIAL ASPECTS OF THE OFFER

The Offer Price represents a premium above the historical market prices of the Shares:

Description	Share Price ⁽¹⁾ (S\$)	Premium of Offer Price over the relevant Share Price (%)
Last transacted Share price on the SGX-ST on 24 May 2017, being the last market day on which the Shares were traded on the SGX-ST prior to the Offer Announcement Date (“ Last Trading Day ”)	0.895	45.3
Volume weighted average price (“ VWAP ”) ⁽²⁾ for the one-month period prior to and including the Last Trading Day	0.887	46.6
VWAP for the three-month period prior to and including the Last Trading Day	0.877	48.2
VWAP for the six-month period prior to and including the Last Trading Day	0.869	49.6
VWAP for the 12-month period prior to and including the Last Trading Day	0.798	62.9

Source: *Shareinvestor*

Notes:

- (1) Rounded to the nearest three (3) decimal places.
- (2) The VWAP is calculated based on the turnover divided by volume of the Shares as extracted from *Shareinvestor*.

7. RATIONALE FOR THE OFFER

7.1 Intention to delist and privatise the Company

The Offeror intends to make the Offer with a view to delist the Company from the SGX-ST and if entitled to under the Bermuda Companies Act, the Offeror intends to compulsorily acquire all the Offer Shares, as further elaborated in paragraph 9 of this Offer Announcement.

7.2 Opportunity for minority Shareholders to realise their investment in the Shares at a premium

The Offer Price is at a significant premium above the historical market prices of the Shares over the last 12-month period up to the date prior to the Offer Announcement Date. When compared to the historical market prices of the Shares over the 12-month period, the Offer Price represents a premium of approximately 46.6%, 48.2%, 49.6% and 62.9% above the VWAP per Share for the corresponding one-month, three-month, six-month and 12-month period prior to and including the Last Trading Day, respectively.

Through the Offer, accepting Shareholders will have an opportunity to realise their investments in the Company for a cash consideration at a significant premium above the historical market share prices, without incurring any brokerage and other trading costs.

7.3 Low trading liquidity of the Shares

The trading liquidity of the Shares has been low as shown in the table below:

Reference period prior to the Offer Announcement Date	No. of Traded days ⁽¹⁾	No. of Market days	Average daily trading volume ⁽²⁾ ('000)	Average daily trading volume as a percentage of total number of issued Shares ⁽³⁾ (%)
One-month	12	20	30	0.05
Three-month	29	62	12	0.02
Six-month	58	124	9	0.01
12-month	133	252	13	0.02

Notes:

- (1) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period.
- (2) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST during the relevant periods, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halts on the Shares) during that period.
- (3) Based on the total number of issued Shares of 65,999,998 Shares.

The Offer therefore represents a cash exit opportunity for Shareholders who wish to realise their entire investment in the Shares but find it difficult to do so in the open market due to the low trading liquidity of the Shares.

7.4 Greater management flexibility

The Offeror believes that the privatisation of the Company will provide the Offeror with greater management flexibility to manage and develop the Group's businesses, optimise the use of its resources, and facilitate the implementation of any strategic initiatives and/or operational changes.

7.5 Eliminate compliance costs of listing

As a listed entity, the Company incurs listing, compliance and other related costs associated with the continued listing requirements under the Listing Manual. The privatisation of the Company will eliminate listing related expenses which can be channelled towards its business operations.

8. LISTING STATUS AND COMPULSORY ACQUISITION

8.1 Listing Status

(a) *Suspension of Trading*

Under Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that brings the Shares held by the Offeror and parties acting in concert with it to above 90.0% of the total number of issued Shares excluding treasury shares, the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10.0% of the total number of issued Shares excluding treasury shares are held by at least 500 shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90.0% of the total number of issued Shares excluding treasury shares, thus causing the percentage of the total number of issued Shares excluding treasury shares held in public hands to fall below 10.0%, the SGX-ST will suspend the trading of the Shares only at the close of the Offer.

(b) *Free Float*

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total Shares held in public hands falls below 10.0%, the Company must as soon as practicable, announce the fact and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10.0%, failing which the Company may be delisted.

In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724(1), Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror does not intend to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. It is the intention of the Offeror to privatise the Company and to delist the Company from the SGX-ST, should the option be available to the Offeror.

8.2 Compulsory Acquisition

Under Section 103 of the Bermuda Companies Act, the holders of not less than 95.0% of the shares in a Bermuda company (herein referred to as “**purchasers**”) may give notice (“**s103 Acquisition Notice**”) to the remaining shareholders of their intention to acquire the remaining shareholders’ shares on the terms set out in the s103 Acquisition Notice. When such s103 Acquisition Notice is given, the purchasers shall be entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the s103 Acquisition Notice unless a remaining shareholder applies to the Supreme Court of Bermuda (the “**Court**”) to have the Court appraise the value of such shares.

Shareholders who are in doubt of their position under the Bermuda Companies Act are advised to seek their own independent legal advice.

9. THE OFFEROR'S INTENTIONS FOR THE COMPANY

9.1 The Offeror does not intend to preserve the listing status of the Company, and the Offeror (together with the parties acting in concert with it where appropriate) when entitled, intends to exercise its (or their) rights of compulsory acquisition ("Compulsory Acquisition") under the Bermuda Companies Act and does not intend to take steps for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10.0% of the Shares are held in public hands. In addition, the Offeror will submit an application to the SGX-ST to seek a voluntary delisting of the Company from the SGX-ST pursuant to the Listing Manual.

9.2 In the event that the Offeror (together with the parties acting in concert with it where appropriate) is not entitled to exercise its (or their) rights of Compulsory Acquisition after the close of the Offer, the Offeror will instead seek the delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

9.3 Although the Offeror has no current intention of (a) making material changes to the Group's existing business, (b) re-deploying the Group's fixed assets, or (c) discontinuing the employment of the employees of the Group, other than in the ordinary course of business, nonetheless, the Offeror retains the flexibility at any time to consider options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company. Following the close of the Offer, the Offeror will conduct a comprehensive review of the operations, management and financial position of the Group, and will evaluate various strategic options following the delisting.

10. CONFIRMATION OF FINANCIAL RESOURCES

RHT Capital, as the financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer for the 13,246,868 Offer Shares at the Offer Price.

11. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

11.1 As at the Offer Announcement Date,

- (a) the Offeror;
 - (b) Yang Qingjin (the sole director of the Offeror);
 - (c) the Undertaking Shareholders; and
 - (d) RHT Capital (as financial adviser to the Offeror in connection with the Offer),
- (each, a "Relevant Person"),

collectively own, control or have agreed to acquire an aggregate of 52,753,130 Shares, representing approximately 79.93% of the total number of issued Shares.

11.2 Save as disclosed in this Offer Announcement (including the Appendices), as at the Offer Announcement Date, none of the Relevant Persons:

- (a) owns, controls or has agreed to acquire or has dealt for value in any (i) Shares, (ii) securities which carry voting rights in the Company, (iii) convertible securities, warrants, options or derivatives in respect of, such Shares or securities (collectively, the “**Company Securities**”) during the three-month period immediately preceding the Offer Announcement Date;
- (b) has received any irrevocable commitment or undertaking from any person to accept or reject the Offer, other than the Irrevocable Undertakings from the Undertaking Shareholders;
- (c) has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material to the Offer, other than the Irrevocable Undertakings; and
- (d) has (i) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise, (ii) borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold), or (iii) lent any Company Securities to another person.

All references to “**derivative**” include any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security or securities.

In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be deemed to be acting in concert with it in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures, if any, will be made in due course and in the Offer Document.

For the same reason, RHT Capital will be making the necessary enquiries in respect of the members of its group subsequent to this Offer Announcement and the relevant disclosures, if any, will be made in due course and in the Offer Document.

12. INDICATIVE TIMELINE

The Offer Document setting out the terms and conditions of the Offer and enclosing the relevant form(s) of acceptance will be despatched to the Shareholders not earlier than 14 days and not later than 21 days from the Offer Announcement Date. The Offer will remain open for acceptances by Shareholders for a period of at least 28 days after the date on which the Offer Document is posted.

Shareholders of the Company should exercise caution and seek appropriate independent professional advice when dealing in the Shares.

13. OVERSEAS SHAREHOLDERS

13.1 The availability of the Offer to the Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or, as the case may be, in the records of the Central Depository (Pte) Limited (“**Overseas Shareholders**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves of, and observe any applicable legal requirements in the relevant overseas

jurisdiction. For the avoidance of doubt, the Offer will be made to all Shareholders holding the Offer Shares including those to whom the Offer Document and the relevant acceptance forms may not be sent. Further details in relation to the Overseas Shareholders will be contained in the Offer Document.

- 13.2** This Offer Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Announcement in any overseas jurisdiction in contravention of any applicable law. The Offer, if made, will be made solely by the Offer Document and the acceptance forms accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.
- 13.3** The release, publication or distribution of this Offer Announcement in certain overseas jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Announcement is released, published or distributed should inform themselves about and observe such restrictions.
- 13.4** The Offeror and RHT Capital each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST and if necessary, by paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including an Overseas Shareholder) to receive or see such announcement or advertisement.

14. RESPONSIBILITY STATEMENT

The director of the Offeror has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Offer Announcement are fair and accurate and that no material facts have been omitted from this Offer Announcement, the omission of which would make any statement in this Offer Announcement misleading, and the director of the Offeror accepts responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the responsibility of the director of the Offeror has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from those sources or, as the case may be, accurately reflected or reproduced in this Offer Announcement in its proper form and context.

Issued by
RHT CAPITAL PTE. LTD.

For and on behalf of
UNITED TECH INDUSTRIES LIMITED
聯科實業有限公司

29 May 2017

Forward-Looking Statements

All statements other than statements of historical facts included in this Offer Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “potential”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward looking statements, and neither the Offeror nor RHT Capital undertakes any obligation to update publicly or revise any forward-looking statements.

Any inquiries relating to this Offer Announcement or the Offer should be directed during office hours to RHT Capital Pte. Ltd. at telephone number (65) 6381 6888.

APPENDIX 1

DETAILS OF HOLDINGS OF RELEVANT PERSONS

As at the Offer Announcement Date, the holdings of the Relevant Persons in the Shares are as follows:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
<u>Offeror</u>						
United Tech Industries Limited 聯科實業有限公司	-	-	-	-	-	-
Yang Qingjin ⁽²⁾ (the sole director of the Offeror)	-	-	16,980,000	25.73	16,980,000	25.73
<u>Undertaking Shareholders</u>						
Eastline Investments Holding Limited ⁽²⁾	16,980,000	25.73	-	-	16,980,000	25.73
Goodwise Investments Limited ⁽³⁾	19,855,000	30.08	-	-	19,855,000	30.08
Chen Chuanzhong	3,145,600	4.77	-	-	3,145,600	4.77
Zhu Chong Dong	3,073,300	4.66	-	-	3,073,300	4.66
Zhou Xianhui ⁽⁴⁾	-	-	3,246,630	4.92	3,246,630	4.92
Zhou Xin ⁽⁴⁾	-	-	3,165,400	4.80	3,165,400	4.80
Tang Jiang ⁽⁴⁾	-	-	3,287,200	4.98	3,287,200	4.98
Total for Undertaking Shareholders:					52,753,130	79.93⁽⁵⁾
<u>Financial Adviser</u>						
RHT Capital Pte. Ltd.	-	-	-	-	-	-

Notes:

- (1) Based on the total number of issued Shares of 65,999,998 Shares.
- (2) Eastline Investments Holding Limited is a company incorporated in the British Virgin Islands and is wholly-owned by Yang Qingjin. Yang Qingjin is deemed to have an interest in all the shares held by Eastline Investments Holding Limited.
- (3) Goodwise Investments Limited is a company incorporated in the British Virgin Islands and is wholly-owned by Chen Yongfu.
- (4) Shares are held on the Undertaking Shareholder's behalf by UOB Kay Hian Private Limited as nominee.
- (5) Does not add up due to rounding.

APPENDIX 2

DETAILS OF DEALINGS

The Relevant Persons have not dealt for value in the Company Securities during the three-month period immediately preceding the Offer Announcement Date.