

EUROPTRONIC GROUP LTD

(Incorporated in the Republic of Singapore)
Company Registration Number: 200009775K

PROJECT GOODWILL PTE. LTD.

(Incorporated in the Republic of Singapore)
Company Registration Number: 201729289C

JOINT ANNOUNCEMENT

**EXIT OFFER
IN CONNECTION WITH THE DIRECTED DELISTING OF
EUROPTRONIC GROUP LTD
PURSUANT TO RULES 1315 AND 1306 READ WITH RULE 1309 OF THE LISTING MANUAL
OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

1. INTRODUCTION

- 1.1 On 5 March 2014, Europtronic Group Ltd (the “**Company**”) was placed on the watch-list (the “**Watch-list**”) by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) pursuant to Rule 1311 of the listing manual of the SGX-ST (the “**Listing Manual**”). On 2 March 2016, the Company received a notification letter from the SGX-ST (the “**Delisting Notification**”) informing the Company that the SGX-ST will delist the Company from the Official List of the SGX-ST pursuant to Rule 1315 of the Listing Manual as the Company has not met the requirements under Rule 1314 of the Listing Manual for its removal from the Watch-list. Trading in the Company’s securities has been suspended from 9.00 a.m., 4 April 2016, and will remain suspended until completion of an exit offer.
- 1.2 The Company and Project Goodwill Pte. Ltd. (the “**Offeror**”) wish to jointly announce that the Offeror has presented to the directors of the Company (the “**Directors**”) a formal proposal to make an exit offer to the shareholders of the Company (the “**Shareholders**”) pursuant to Rules 1306 and 1309 of the Listing Manual (the “**Delisting Proposal**”) in connection with the delisting of the Company (the “**Delisting**”) by the SGX-ST in accordance with Rule 1315 of the Listing Manual and the Delisting Notification. Under the Delisting Proposal, the Offeror will make a conditional exit cash offer (the “**Exit Offer**”) to acquire all the issued and paid-up ordinary shares in the capital of the Company (the “**Shares**”) (excluding treasury shares), other than those Shares already owned, controlled or agreed to be acquired by the Offeror as at the date of the Exit Offer (the “**Offer Shares**”).
- 1.3 An exit offer letter (the “**Exit Offer Letter**”) containing the terms of the Exit Offer, together with the appropriate form(s) for acceptance of the Exit Offer (the “**Acceptance Forms**”), will be despatched by the Offeror to the Shareholders in due course. The Shareholders are advised to read the Exit Offer Letter and the Acceptance Forms carefully.

2. LISTING MANUAL PROVISIONS ON THE DELISTING AND THE EXIT OFFER

- 2.1 Under Rule 1306 of the Listing Manual, if the SGX-ST exercises its power to remove an issuer from the Official List of the SGX-ST, the issuer or its controlling shareholder(s) must comply with the requirements of Rule 1309 of the Listing Manual. As mentioned in paragraph 1.1 above, on 2 March 2016, the Company received the Delisting Notification from the SGX-ST directing the delisting of the Company from the Official List of the SGX-ST pursuant to Rule 1315 of the Listing Manual.

2.2 Under Rule 1309 of the Listing Manual, if the Company is seeking to delist from the Official List of the SGX-ST:

2.2.1 a reasonable exit alternative, which should normally be in cash, should be offered to the Shareholders and holders of any other classes of listed securities to be delisted; and

2.2.2 the Company should normally appoint an independent financial adviser to advise on the Exit Offer.

3. INFORMATION ON THE COMPANY

3.1 The Company was incorporated in the Republic of Singapore on 18 November 2000 and was listed on the Mainboard of the SGX-ST on 5 April 2002. The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are those relating to the manufacturing and distribution of electronic components.

3.2 As at the date of this announcement (the “**Joint Announcement Date**”), the board of Directors of the Company comprises the following:

3.2.1 Huang Shih-An – Non-Executive Chairman;

3.2.2 Huang Chuang Shueh-Ou – Vice Chairman;

3.2.3 Anthony Ang Meng Huat – Non-Executive Lead Independent Director;

3.2.4 Tan Sek Khee – Non-Executive Independent Director; and

3.2.5 Lin Chien – Non-Executive Independent Director.

Huang Shih-An and Huang Chuang Shueh-Ou are husband and wife.

3.3 As at the Joint Announcement Date, the issued and paid-up share capital of the Company is S\$64,415,712 comprising 943,732,154 Shares. There are no Shares held by the Company as treasury shares.

3.4 As at the Joint Announcement Date, the Company has no outstanding instruments convertible into, rights to subscribe for, warrants, options (whether pursuant to an employee share option scheme or otherwise) nor derivatives in respect of securities which carry voting rights of the Company.

4. INFORMATION ON THE OFFEROR

4.1 The Offeror is a special purpose vehicle incorporated in the Republic of Singapore on 12 October 2017 for the purpose of making the Exit Offer. The issued share capital of the Offeror is S\$1.00 comprising 1 issued ordinary share. Its principal activity is that of investment holding.

4.2 As at the Joint Announcement Date:

4.2.1 the Offeror does not hold any Shares; and

4.2.2 Huang Chuang Shueh-Ou, who is the Vice Chairman of the Company, is the sole shareholder and sole director of the Offeror.

5. CONCERT PARTIES

5.1 As at the Joint Announcement Date, subject to further enquiries to be made as disclosed in paragraph 12.2 of this announcement, the following persons are acting or presumed to be acting in concert with the Offeror under the Singapore Code on Take-overs and Mergers (the “**Code**”):

5.1.1 Huang Chuang Shueh-Ou;

5.1.2 Huang Shih-An, the husband of Huang Chuang Shueh-Ou and the Non-Executive Chairman of the Company;

5.1.3 Huang Yun Ju, the daughter of Huang Chuang Shueh-Ou and Huang Shih-An; and

5.1.4 Huang Chien-Hung, the son of Huang Chuang Shueh-Ou and Huang Shih-An,

(collectively, the “**Concert Parties**”).

5.2 As at the Joint Announcement Date, the shareholdings of the Concert Parties in the Company are as follows:

Name	Number of Shares	Shareholding Percentage in the Company ¹
Huang Chuang Shueh-Ou	92,124,465	9.76%
Huang Shih-An	161,620,193	17.13%
Huang Yun Ju	10,557,704	1.12%
Huang Chien-Hung	8	Not meaningful
Total	264,302,370	28.01%

6. TERMS OF THE EXIT OFFER

6.1 Exit Offer Price

Under the terms of the Exit Offer, the Offeror will make the Exit Offer at the exit offer price of S\$0.0001 in cash for each Offer Share (the “**Exit Offer Price**”).

The closing price of the Shares on 1 April 2016, being the date on which the Shares were last traded on the SGX-ST prior to the suspension of the trading of the Shares, was S\$0.002. The Exit Offer Price represents a discount of approximately 95% to the closing price of the Shares on 1 April 2016. Based on the latest published unaudited consolidated financial statements of the Company for the nine-month period ended 30 September 2017, the net liabilities of the Company and its subsidiaries (the “**Group**”) amounted to approximately US\$(13.855) million as at 30 September 2017. The net liability of the Group attributable to Shareholders was approximately US\$(14.636) million as at 30 September 2017 or US\$(0.01551) per Share. The Exit Offer Price is therefore at a premium when compared with the net liability position of the Company and the Group.

¹ Figures are rounded to two decimal places and based on 943,732,154 Shares in issue as at the Joint Announcement Date.

For the avoidance of doubt, the Exit Offer Price will not be revised except as mentioned in paragraph 6.3 below.

The Exit Offer will be extended to all Offer Shares and the Exit Offer Price is applicable to all Offer Shares tendered in acceptance. Shareholders may accept the Exit Offer in full or in part of their holdings of Offer Shares.

6.2 Acceptance Condition

The Exit Offer is subject to the Offeror having received, by the close of the Exit Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Exit Offer and pursuant to the Exit Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50% of the total voting rights attributable to the issued share capital of the Company as at the close of the Exit Offer.

Accordingly, the Exit Offer will not become or be capable of being declared unconditional as to acceptances, unless at any time prior to or as at the Closing Date (as defined in paragraph 6.5 below), the Offeror has received valid acceptances in respect of such number of Offer Shares which, together with the number of Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Exit Offer and pursuant to the Exit Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50% of the total voting rights attributable to the issued share capital of the Company.

6.3 No Encumbrances

The Offer Shares are to be acquired (a) fully paid, (b) free from any mortgage, debenture, lien, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or similar right, right of first refusal and any other encumbrance or condition whatsoever (each, an “**Encumbrance**”), and (c) together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto including all voting rights, the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the Joint Announcement Date. If any dividend, right, distribution, return of capital or any other entitlement is announced, declared, paid or made by the Company on or after the Joint Announcement Date to a Shareholder who accepts or has accepted the Exit Offer, the Offeror reserves the right to reduce the Exit Offer Price by the amount of such dividend, right, distribution, return of capital or any other entitlement.

6.4 Warranty

Acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Offer Share in respect of which the Exit Offer is accepted is sold by him as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions, if any, declared, paid or made by the Company on or after the Joint Announcement Date).

6.5 Duration

The Exit Offer will remain open for acceptance by Shareholders for a period of 28 days after the date of despatch of the Exit Offer Letter by the Offeror to the Shareholders (the “**Closing Date**”).

The Offeror does not intend to extend the Exit Offer beyond the Closing Date (irrespective of whether the Exit Offer becomes or is declared to be unconditional as to acceptances), save that such notice of the Offeror’s intention not to extend the Exit Offer beyond the Closing Date shall not be capable of being enforced in a competitive situation.

6.6 No Undertakings

As at the Joint Announcement Date, none of the Offeror nor any party acting in concert with it has received any irrevocable undertaking from any party to accept or reject the Exit Offer.

7. **RULINGS FROM THE SECURITIES INDUSTRY COUNCIL**

7.1 An application was made to the Securities Industry Council (the “**SIC**”) to seek clarification regarding the extent to which the provisions of the Code applied to the Exit Offer. The SIC ruled on 26 September 2017 that:

7.1.1 the Exit Offer is exempted from compliance with the following provisions of the Code:

- (a) Rule 20.1 on keeping the Exit Offer open for 14 days after it is revised;
- (b) Rule 22 on the offer timetable;
- (c) Rule 28 on acceptances; and
- (d) Rule 29 on the right of acceptors to withdraw their acceptances,

subject to the satisfaction of the following conditions:

- (i) disclosure in the Exit Offer Letter of:
 - (1) the consolidated net tangible asset per Share of the group comprising the Company, its subsidiaries and associated companies based on the latest published accounts prior to the date of the Exit Offer Letter; and
 - (2) particulars of all known material changes as at the latest practicable date which may affect the consolidated net tangible asset per Share referred to in paragraph 7.1.1(i)(1) above or a statement that there are no such known material changes; and
- (ii) the Exit Offer remaining open for at least 28 days after the date of the despatch of the Exit Offer Letter; and

7.1.2 certain Directors, namely, Huang Shih-An and Huang Chuang Shueh-Ou (collectively, the **“Relevant Directors”**), are exempted from the requirement to make a recommendation to the Shareholders on the Exit Offer as the Relevant Directors, being persons who are acting or deemed to be acting in concert with the Offeror, face irreconcilable conflict of interests in doing so. Nevertheless, the Relevant Directors must still assume responsibility for the accuracy of the facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, the Company to the Shareholders in connection with the Exit Offer.

7.2 Anthony Ang Meng Huat, Tan Sek Khee and Lin Chien, being the other Directors of the Company (collectively, the **“Independent Directors”**), will be considered independent for the purposes of providing a recommendation on the Exit Offer to the Shareholders.

8. THE OFFEROR’S INTENTIONS FOR THE COMPANY

Following the close of the Exit Offer, the Offeror has no current intention of (a) making material changes to the existing business, (b) re-deploying the fixed assets, or (c) discontinuing the employment of the employees of the Company and its subsidiaries, 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.

9. COMPULSORY ACQUISITION

9.1 Pursuant to Section 215(1) of the Companies Act (Cap. 50) of Singapore (the **“Companies Act”**), if the Offeror receives valid acceptances pursuant to the Exit Offer in respect of not less than 90% of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Exit Offer and excluding treasury shares), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Exit Offer (the **“Dissenting Shareholders”**) at the Exit Offer Price.

9.2 The Offeror confirms that it intends to exercise its right of compulsory acquisition in the event that it receives valid acceptances pursuant to the Exit Offer in respect of not less than 90% of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Exit Offer and excluding treasury shares).

9.3 Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares in the event that the Offeror acquires, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by it, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares (excluding treasury shares). Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal and finance advice.

10. CONFIRMATION OF FINANCIAL RESOURCES

United Overseas Bank Limited has confirmed that sufficient financial resources are available to the Offeror to satisfy in full the aggregate consideration payable by the Offeror for all the Offer Shares on the basis of the Exit Offer Price.

11. INDEPENDENT FINANCIAL ADVISER

The Company has appointed Hong Leong Finance Limited as the independent financial adviser (the “**IFA**”) to advise the Independent Directors on the Exit Offer. The advice of the IFA and recommendation of the Independent Directors regarding the Exit Offer will be set out in the letter from the Company to the Shareholders to be appended to the Exit Offer Letter.

12. DISCLOSURE OF INTERESTS

12.1 Save as disclosed in this announcement, as at the Joint Announcement Date, (i) the Offeror, (ii) the sole director of the Offeror and/or (iii) the Concert Parties (collectively, the “**Relevant Persons**”):

12.1.1 does not own, control or has agreed to acquire any Shares, securities which carry voting rights in the Company, or convertible securities, warrants, options and derivatives in respect of such Shares or securities (collectively, the “**Relevant Securities**”);

12.1.2 has not received any irrevocable undertaking from any party to accept or reject the Exit Offer;

12.1.3 has not 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 Exit Offer;

12.1.4 has not:

- (a) granted a security interest over any Relevant Securities to another person, whether through a charge, pledge or otherwise;
- (b) borrowed from another person any Relevant Securities (excluding borrowed securities which have been on-lent or sold); or
- (c) lent any Relevant Securities to another person; and

12.1.5 has not dealt for value in any Shares during the three (3)-month period immediately preceding the Joint Announcement Date.

12.2 In the interests of confidentiality, apart from the Relevant Persons, the Offeror has not made enquiries in respect of any other parties who are or may be deemed to be acting in concert with it in connection with the Exit Offer. Further enquiries will be made of such parties and the relevant disclosures, if any, will be made in due course and in the Exit Offer Letter.

13. EXIT OFFER LETTER

No immediate action is required of Shareholders on their part in respect of the Delisting Proposal and the Exit Offer. Shareholders will be advised on the procedure for accepting the Exit Offer when the Exit Offer Letter is despatched.

14. OVERSEAS SHAREHOLDERS

- 14.1 This 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 announcement in any jurisdiction in contravention of applicable law. The Exit Offer will be made solely by the Exit Offer Letter and the Acceptance Forms, which will contain the full terms and conditions of the Exit Offer, including details of how the Exit Offer may be accepted.
- 14.2 The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions in which this announcement is released, published or distributed should inform themselves about and observe such restrictions.
- 14.3 Copies of this announcement and any formal documentation relating to the Exit Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Exit Offer would violate the law of that jurisdiction (the **"Restricted Jurisdiction"**) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. For the avoidance of doubt, the Exit Offer shall be open to all Shareholders including those to whom the Exit Offer Letter and the Acceptance Forms will not be sent.
- 14.4 The Exit Offer Letter (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or securities exchange of, any Restricted Jurisdiction and the Exit Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.
- 14.5 The ability of Shareholders who are not resident in Singapore to accept the Exit Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

15. RESPONSIBILITY STATEMENTS

- 15.1 The sole director of the Offeror (including where she has delegated detailed supervision of this announcement) has taken all reasonable care to ensure that the facts stated and all opinions expressed herein which relate to the Delisting Proposal, the Exit Offer, the Offeror and the Relevant Persons are fair and accurate and that no material facts which relate to the Delisting Proposal, the Exit Offer, the Offeror and the Relevant Persons have been omitted from this announcement, the omission of which would make any statement in this announcement misleading in any material respect. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the sole director of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this announcement. The sole director of the Offeror accepts responsibility accordingly. The sole director of the Offeror, in her capacity as director of the Offeror, does not accept any responsibility for any information relating to the Company and its subsidiaries.

- 15.2 The Directors (including any Director who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein which relate to the Company and its subsidiaries are fair and accurate and that no material facts which relate to the Company and its subsidiaries have been omitted from this announcement, the omission of which would make any statement in this announcement misleading in any material respect. Where any information in this announcement has been extracted or reproduced from published or publicly available sources or obtained from the Offeror or the Relevant Persons, the sole responsibility of the Directors has been to ensure that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement. The Directors jointly and severally accept responsibility accordingly. The Directors do not accept any responsibility for any information relating to the Offeror and the Relevant Persons, or any opinion expressed by the Offeror.

BY ORDER OF THE BOARD

Europtronic Group Ltd

Anthony Ang Meng Huat
Non-Executive Lead Independent Director

7 November 2017

BY ORDER OF THE BOARD

Project Goodwill Pte. Ltd.

Huang Chuang Shueh-Ou
Director

7 November 2017

Forward-Looking Statements

All statements other than statements of historical facts included in this announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements 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 of the Company and/or the Offeror should not place undue reliance on such forward-looking statements, and none of the Company and the Offeror undertakes any obligation to update publicly or revise any forward-looking statements.