

HUPSTEEL LIMITED
(Company Registration No.: 197301452D)
(Incorporated in Singapore)

**VOLUNTARY CONDITIONAL CASH OFFER FOR THE COMPANY – RESULT OF APPLICATION
FOR WAIVER FROM RULE 707(1), 707(2) AND 1307 OF THE LISTING MANUAL OF THE SGX-ST**

1. VOLUNTARY CONDITIONAL CASH OFFER

The board of directors (the "**Board**") of Hupsteel Limited (the "**Company**") refers to the announcement released on 28 June 2019 (the "**Offer Announcement**") by Oversea-Chinese Banking Corporation Limited ("**OCBC Bank**"), for and on behalf of Hercules Pte. Ltd. (the "**Offeror**"), that the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of the Company, other than any Shares held in treasury and those Shares held, directly or indirectly, by the Offeror as at the date of the Offer.

The Board wishes to announce that, in view of the Offer, an application was made to the SGX-ST on 13 September 2019 for the following (the "**Waiver Application**"):

- (a) in respect of the proposed delisting of the Company (the "**Delisting**"):
 - (i) a waiver from the requirements of Rule 1307 of the Listing Manual;
 - (ii) a confirmation that Rule 1309 of the Listing Manual has been complied with; and
 - (iii) the approval to delist the Company from the Official List of the SGX-ST after completion of the compulsory acquisition by the Offeror of all the Shares of the shareholders of the Company who have not accepted the Offer (the "**Compulsory Acquisition**");
- (b) a waiver from the requirement to convene the Company's forthcoming annual general meeting ("**AGM**") in accordance with Rule 707(1) of the Listing Manual; and
- (c) a waiver from the requirement to issue and despatch the Company's annual report for the financial year ended 30 June 2019 ("**AR2019**") to the Shareholders and the SGX-ST pursuant to Rule 707(2) of the Listing Manual.

The outcome of the Waiver Application is set out in paragraph 3 below.

All capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed in the offeree circular dated 2 August 2019 despatched by the Company to the Shareholders in relation to the Offer.

2. REASONS FOR THE WAIVER APPLICATION

2.1 Application for Delisting

The Company's reasons for seeking a waiver of Rule 1307 of the Listing Manual are set out below.

- (a) Pursuant to Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by the Company to delist from the SGX-ST if: (i) the Company convenes a general meeting (the "**Delisting EGM**") to obtain Shareholder approval for the delisting; (ii) the resolution to delist the Company (the "**Delisting Resolution**") has been approved by a majority of at least 75% of the total number of issued Shares held by the Shareholders present and voting, on a poll, either in person or by proxy at the Delisting EGM. The Offeror Concert Party Group (as defined in the Listing Manual) must abstain from voting on the resolution.
- (b) As set out in the Close of Offer Announcement, the Offeror had received from the Shareholders valid acceptances of the Offer amounting to 116,560,638 Shares representing approximately 95.506% of the total number of Shares. Accordingly, the Offeror will be able to unilaterally determine the outcome of the Delisting Resolution proposed to be passed at the Delisting EGM, if such meeting is convened pursuant to Rule 1307 of the Listing Manual.
- (c) In view of the foregoing, the Company considers that it would not be necessary or meaningful to expend time and/or expenses to convene the Delisting EGM for the purposes of approving the Delisting Resolution.

2.2 The Company's reasons for seeking a confirmation that Rule 1309 of the Listing Manual has been complied with and the SGX-ST's approval to delist the Company from the SGX-ST are set out below:

- (a) Pursuant to Rule 1309 of the Listing Manual, if the Company is seeking to delist from the SGX-ST, (i) a reasonable exit alternative, which should normally be in cash, should be offered to (A) the Shareholders and (B) holders of any other classes of listed securities to be delisted and (ii) the Company should normally appoint an independent financial adviser to advise on the exit offer.
- (b) It is submitted that the Company complies with the requirements under Rule 1309 of the Listing Manual for the following reasons:
 - (i) as stated in the offer unconditional announcement and the close of offer announcement, the Offeror is, *inter alia*, entitled to, and will in due course, exercise its right of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the dissenting Shareholders at the Offer Price of S\$1.20 in cash for each Share. Accordingly, in relation to the reasonable exit alternative requirement under Rule 1309(1) of the Listing Manual, each dissenting Shareholder would receive S\$1.20 in cash for each Share held by him or her;
 - (ii) there are no other classes of listed securities of the Company to be delisted; and
 - (iii) the Shareholders have received from the Company the offeree circular dated 2 August 2019 (the "**Offeree Circular**") containing, *inter alia*, the advice of the independent financial adviser (the "**IFA**") to the Independent Directors (as

defined in the Offeree Circular) as to whether the terms of the Offer are fair and reasonable, as well as the recommendation of the Independent Directors in relation to the Offer. Specifically in relation to the advice of the IFA (as set out in Appendix I to the Offeree Circular), the IFA has opined that the financial terms of the Offer are fair and reasonable and advised the Independent Directors to recommend that the Shareholders accept the Offer. Accordingly, the Shareholders would have been apprised on whether the terms of the Offer are fair and reasonable.

- (c) The Offeror has stated in the formal offer document dated 19 July 2019 issued by OCBC Bank, for and on behalf of the Offeror, to the Shareholders in connection with the Offer, the offer unconditional announcement and the close of offer announcement that the Offeror: (i) does not intend to preserve the listing status of the Company and has no intention of taking any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted; and (ii) intends to delist the Company.

2.3 Waiver From Rules 707(1) And 707(2) of the Listing Manual

The Company's reasons for seeking a waiver of Rules 707(1) and 707(2) of the Listing Manual are set out below.

- (a) Rule 707(1) of the Listing Manual states that the time between the end of an issuer's financial year and the date of its AGM must not exceed four (4) months. In addition, Rule 707(2) of the Listing Manual states that an issuer must issue its annual report to its shareholders and the SGX-ST at least 14 days before the date of its AGM. Accordingly, as the Company's financial year end is 30 June, the Company is required to convene its forthcoming AGM no later than 31 October 2019 and consequently, to issue and despatch the AR2019 to Shareholders and the SGX-ST no later than 17 October 2019.
- (b) The Proposed Compulsory Acquisition, when completed, will result in the Offeror becoming the sole Shareholder and the convening of the AGM and issuance of the AR2019 within the requisite deadlines prescribed under the Listing Manual will be of limited benefit to the remaining minority Shareholders of the Company and will incur unnecessary compliance costs for the Company.
- (c) The Offeror does not intend to preserve the listing status of the Company and has no intention of taking any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted.
- (d) The interests of Shareholders in respect of access to updated financial information of the Company would not be prejudiced given that the Company had announced its full year unaudited financial results on 22 August 2019, which contained the pertinent financial information of an annual report, albeit on an unaudited basis.
- (e) In view of the foregoing, the Company considers that it would not be meaningful for it to convene the AGM and issue the AR2019 within the requisite deadlines prescribed under the Listing Manual and furthermore, the Company would like to avoid incurring unnecessary costs in relation to the time and expense in preparing for the issuance of the AR2019 and other preparatory work for the convening of the AGM for the Shareholders.

3. **THE SGX-ST'S RESPONSE ON THE WAIVER APPLICATION**

On 26 September 2019, the SGX-ST advised that as:-

- (a) the Offeror had received from the shareholders valid acceptances of the offer amounting to 95.506% of the total number of Shares (excluding treasury shares), resulting in the Company's free float falling below 10%;
- (b) the Offeror had announced the exercise of its right of Compulsory Acquisition; and
- (c) the Offeror will be the sole shareholder of the Company upon the completion of the Compulsory Acquisition,

it has no objection to the Proposed Delisting of the Company from the Official List of the SGX-ST and granting the Company a waiver with regard to compliance with Listing Rules 1307(1), 707(1), and 707(2) (the "**Waiver**"), subject to the following:-

- (1) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Listing Rule 107 and if the Waiver conditions have been satisfied; and
- (2) if the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met.

SGX-ST has also advised that the Company is required to make an immediate disclosure via SGXNET if it is / will be in contravention of any laws and regulations governing the Company and the constitution of the Company (or the equivalent in the Company's country of incorporation) arising from the Waiver. The Company is also required to announce whether and when it had applied to the Accounting and Corporate Regulatory Authority ("**ACRA**") for the Waiver and the outcome of its application.

The Company confirms that conditions for Waiver have all been satisfied and the Waiver does not contravene any laws and regulations governing the Company and the Constitution of the Company.

The Company has also made applications to ACRA on 13 September 2019 for (i) an extension of time to convene the Company's forthcoming AGM; and (ii) an extension of time for the Company to lodge its annual return with ACRA. The Company is awaiting a response from ACRA and will provide updates in due course.

The SGX-ST's decision is not an indication of the merits of the Delisting. The date and time of the Delisting will be announced in due course, following the completion of the Compulsory Acquisition.

4. RESPONSIBILITY STATEMENT

The directors of the Company (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement (other than those relating to the Offeror and the Offer) are fair and accurate and that there are no material facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement and any other announcements made by or on behalf of the Offeror), the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this announcement in its proper form and context.

The directors of the Company jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

HUPSTEEL LIMITED

Lim Chee San
Non-Executive Chairman & Independent Director
27 September 2019