



CHANGTIAN PLASTIC & CHEMICAL LIMITED

SGX-ST'S APPROVAL FOR (1) THE PROPOSED DELISTING, (2) WAIVER OF RULE 705(2) AND RULE 1307 OF THE LISTING MANUAL, AND (3) CONFIRMATION ON RULE 1309 OF THE LISTING MANUAL

1. INTRODUCTION

The Board of Directors ("**Board**" or "**Directors**") of Changtian Plastic & Chemical Limited ("**Company**") refers to:

- (a) the announcement ("**Offer Announcement**") dated 29 May 2017 ("**Offer Announcement Date**") by RHT Capital Pte. Ltd. ("**RHT Capital**") for and on behalf of United Tech Industries Limited 聯科實業有限公司 ("**Offeror**") to acquire all the issued and paid-up ordinary shares in the capital of the Company ("**Shares**") other than those already owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with it ("**Offer**");
- (b) the offer document dated 19 June 2017 issued by RHT Capital for and on behalf of the Offeror, containing the terms and conditions of the Offer ("**Offer Document**");
- (c) the circular dated 3 July 2017 to the shareholders of the Company ("**Shareholders**") ("**Circular**") containing the recommendation of the directors who are considered independent for the purpose of the Offer ("**Independent Directors**") and the advice of Asian Corporate Advisors Pte. Ltd. (the "**IFA**"), the independent financial adviser to the Independent Directors in respect of the Offer ("**IFA Letter**");
- (d) the announcement dated 11 July 2017 by RHT Capital for and on behalf of the Offeror, in respect of, *inter alia*, the final closing date of the Offer as well as latest level of acceptances of the Offer and shareholdings of the Offeror and parties acting in concert with it as at 5.00 p.m. on 11 July 2017 ("**Final Closing Date Announcement**");
- (e) the announcement dated 31 July 2017 by RHT Capital for and on behalf of the Offeror, in respect of the close of the Offer ("**Close of Offer Announcement**"); and
- (f) the announcement dated 31 July 2017 by the Company in respect of, *inter alia*, the close of the Offer and the approval by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for a voluntary suspension of the Shares with effect from 1 August 2017.

Unless otherwise defined, capitalised terms in this Announcement have the same meaning as ascribed to them in the Circular.

2. THE PROPOSED DELISTING

In connection with the close of the Offer, the Company made an application to the SGX-ST to seek its approval and confirmation that it has no objections to the proposed delisting of the Company ("**Proposed Delisting**"), based on the following reasons:

- (a) As stated in the Offer Document, 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.

Under Section 103 of the Bermuda Companies Act, 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 ("**Court**") to have the Court appraise the value of such shares.

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.

- (b) As stated in the Final Closing Date Announcement:
 - (i) **Current Holdings by the Offeror in the Company.** As at 11 July 2017 (being the date of the Final Closing Date Announcement), the Offeror and the parties acting in concert with the Offeror owned, controlled, have acquired or agreed to acquire an aggregate of 63,909,654 Shares, representing approximately 96.83% of the total number of issued Shares; and
 - (ii) **Compulsory Acquisition.** As the total number of Shares held by the Offeror and parties acting in concert with it represents more than 95.0% of the total number of issued Shares of the Company, the Offeror and parties acting in concert with it will have the right to, and intend to, give the s103 Acquisition Notice to the remaining shareholders of the Company of their intention to acquire the Shares of the remaining shareholders of the Company on the terms set out in the s103 Acquisition Notice pursuant to Section 103 of the Bermuda Companies Act.

3. WAIVER FROM RULE 1307 OF THE LISTING MANUAL AND CONFIRMATION ON RULE 1309 OF THE LISTING MANUAL

- 3.1 An application has also been submitted to the SGX-ST for (a) waiver from the requirements of Rule 1307 of the Listing Manual of the SGX-ST ("**Listing Manual**") ("**Rule 1307 Waiver**"), and (b) a confirmation that Rule 1309 of the Listing Manual has been complied with ("**Rule 1309 Confirmation**").

3.2 Rule 1307 Waiver

Under Rule 1307 of the Listing Manual, the SGX-ST may agree to an application for a voluntary delisting of an issuer if:

- (a) the issuer convenes a general meeting to obtain shareholder approval for the delisting;
- (b) the resolution to delist ("**Delisting Resolution**") the issuer has been approved by a majority of at least 75% of the total number of issued shares excluding treasury shares and subsidiary holdings held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting (the issuer's directors and controlling shareholder need not abstain from voting on the resolution); and
- (c) the resolution has not been voted against by 10% or more of the total number of issued shares excluding treasury shares and subsidiary holdings held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting.

The Rule 1307 Waiver was sought based on the following reasons:

- (i) as at the date of the Final Closing Date Announcement, the Offeror and the parties acting in concert with the Offeror owned, controlled, have acquired or agreed to acquire an aggregate of 63,909,654 Shares, representing approximately 96.83% of the total number of issued Shares. If the Proposed Delisting were to be put to a vote by the Shareholders at a general meeting, the Offeror and parties acting in concert with it will vote in favour of the Delisting Resolution in respect of all their Shares. In addition, given that the Offeror and its concert parties already hold approximately 96.83% of the total Shares as at the date of the Final Closing Date Announcement, any Delisting Resolution will not be voted against by Shareholders holding at least 10% or more of the Shares; and
- (ii) in view of the above, it will be an unnecessary expenditure of time and expense if the Company were to be required to convene a general meeting to obtain shareholders' approval for the Proposed Delisting.

3.3 Rule 1309 Confirmation

Rule 1309 of the Listing Manual provides that if an issuer is seeking to delist, a reasonable exit alternative, which should normally be in cash, should be offered to (a) the issuer's shareholders and (b) holders of any other classes of listed securities to be delisted.

The Rule 1309 Confirmation were sought based on the following reasons:

- (a) the Offeror's intention to delist the Company following the completion of the Compulsory Acquisition exercise is set out clearly in the Offer Document and the Offer is tantamount to a cash exit offer made by the Offeror to the Shareholders; and
- (b) the Offeror (together with the parties acting in concert with it where appropriate) is entitled to and intends to exercise its (or their) rights of Compulsory Acquisition, and barring any unforeseen circumstances, the Offeror (together with the parties acting in concert with it where appropriate) will end up holding 100% of the issued Shares of the Company and there will be no other Shareholder that requires an exit offer by the Offeror.

4. WAIVER FROM RULE 705(2) OF THE LISTING MANUAL

- 4.1 An application has also been submitted to the SGX-ST for a waiver from compliance with the requirements of Rule 705(2) of the Listing Manual ("**Rule 705(2) Waiver**").

Under Rule 705(2) of the Listing Manual, the Company would have to announce its financial statements for the second quarter ended 30 June 2017 and the third quarter ending 30 September 2017 (collectively, "**Quarterly Results**") by 14 August 2017 and 14 November 2017, respectively.

- 4.2 The Company sought the Rule 705(2) Waiver based on the following reasons:

- (a) subject to the receipt of SGX-ST's approval for the Proposed Delisting and the completion of the Compulsory Acquisition, the Company expects to be delisted subsequent to the close of the Offer. The Offeror has stated in the Offer Document that it does not intend to preserve the Company's listing status nor to take any steps to lift any trading suspension in the Shares. The Offeror (together with the parties acting in concert with it where appropriate) has also stated that it (or they) intends to exercise its rights of Compulsory Acquisition under the Bermuda Companies Act where entitled;
- (b) based on the above, Shareholders and investors are unlikely to be prejudiced by the non-release of the Quarterly Results as regardless of the financial performance of the Company, the Shares held by the remaining minority shareholders will be acquired at the Offer Price; and
- (c) accordingly, the release of the Quarterly Results in view of the Compulsory Acquisition and the pending Proposed Delisting will not be of material benefit to the minority Shareholders of the Company and would incur unnecessary compliance costs for the Company.

5. SGX-ST'S APPROVAL

The Board wishes to announce that the SGX-ST had by its letter dated 14 August 2017 informed the Company that based on submissions and representations to the SGX-ST, the SGX-ST:

- (a) had no objection to the application for Proposed Delisting of the Company from the Official List of the SGX-ST, subject to compliance with the SGX-ST's listing requirements;
- (b) had no objection to the waiver of Rule 1307 of the Listing Manual in connection with the Proposed Delisting of the Listing and confirmed that Rule 1309 has been complied with; and
- (c) had no objection to the waiver of Rule 705(2) of the Listing Manual in connection with the announcement of the financial statements for the second quarter ended 30 June 2017 by 14 August 2017 and the third quarter ending 30 September 2017 by 14 November 2017,

subject to:

- (i) an announcement being made of the delisting application and waivers granted, the reasons for seeking the waivers and the conditions as required under Rule 107 of the Listing Manual;

- (ii) a written confirmation from the Company that the application and waivers do not contravene any laws and regulations governing the Company or the constitution of the Company; and
- (iii) a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

In relation to the conditions set out in paragraphs 5(ii) and (iii) above, the Company will be providing the written confirmation(s) to the SGX-ST in due course.

6. RESPONSIBILITY STATEMENT

The Directors of the Company (including those 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 are fair and accurate and, where appropriate, no material facts have been omitted from this Announcement which would make any statement in this Announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted from published or otherwise publicly available sources (including, without limitation, the Offer Announcement, the Offer Document Despatch Announcement, the Offer Document, the Final Closing Date Announcement and the Close of Offer Announcement), the sole responsibility of the Directors 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.

BY ORDER OF THE BOARD

Chan Yin David
Lead Independent Director
14 August 2017