

DYNAMIC TECHNOLOGY PTE. LTD.

(Company Registration No.: 202009775C)
(Incorporated in Singapore)

9 July 2020

To: The shareholders of Dynamic Colours Limited

Dear Sir/Madam

COMPULSORY ACQUISITION OF SHARES IN DYNAMIC COLOURS LIMITED (THE “COMPANY”) BY DYNAMIC TECHNOLOGY PTE. LTD. (THE “OFFEROR”) PURSUANT TO SECTION 215(1) OF THE COMPANIES ACT (CHAPTER 50 OF SINGAPORE) (THE “COMPANIES ACT”) AND RIGHTS OF SHAREHOLDERS UNDER SECTION 215(3) OF THE COMPANIES ACT

1. INTRODUCTION

- 1.1 **Offer.** We refer to the offer document dated 15 June 2020 (the “**Offer Document**”) issued by United Overseas Bank Limited (“**UOB**”), for and on behalf of the Offeror, in connection with the voluntary conditional cash offer (the “**Offer**”), in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers, for all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of the Company, other than those Shares held, directly or indirectly, by the Offeror as at the date of the Offer (the “**Offer Shares**”).

All capitalised terms used and not defined in this letter (this “**Letter**”) shall have the same meanings ascribed to them in the Offer Document, unless otherwise expressly stated or the context otherwise requires.

Please disregard this Letter and the enclosed Form 57 and Form 58 (each as defined below) if you have already (a) accepted the Offer in respect of all your Shares by completing and returning a valid FAA or FAT (as the case may be); or (b) sold all your Shares on the SGX-ST prior to the date of this Letter.

- 1.2 **Compulsory Acquisition.** On 22 June 2020, UOB announced, for and on behalf of the Offeror, that the Offeror had, as at 5.00 p.m. (Singapore time) on 22 June 2020, received valid acceptances in respect of such number of Offer Shares such that the Offeror owns, controls or has agreed to acquire not less than 90% of the total number of issued Shares as at the date of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding, for the avoidance of doubt, any Shares held in treasury). Accordingly, the Offeror is entitled to, and intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act on the same terms as those offered under the Offer.
- 1.3 **Consideration.** As stated in paragraph 2.3 of the Offer Document, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any dividends that may be declared, made or paid by the Company on or after the Offer Announcement Date (including the FY19 Dividend). As the Offeror will not receive the FY19 Dividend in respect of the Offer Shares held by you, the amount of the dividend in respect of such Offer Shares will be deducted from the Offer Price. Accordingly, you will receive the net Offer Price of S\$0.215 in cash for each remaining Share held by you (the “**Consideration**”) to be compulsorily acquired by the Offeror.
- 1.4 **Dissenting Shareholders.** According to the records as at 6 July 2020 maintained by The Central Depository (Pte) Limited (“**CDP**”) and/or Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) (the “**Share Registrar**”), as the case may be, you did not accept the Offer in respect of your Shares. Accordingly, we are writing to inform you that the Offeror wishes to exercise its right of compulsory acquisition to acquire all the Shares held by you at the Consideration. We enclose, for this purpose, a Notice to Dissenting Shareholder in the form prescribed under the Companies Act (“**Form 57**”).

1.5 **Final Closing Date.** On 22 June 2020, UOB also announced, for and on behalf of the Offeror, that the final closing date of the Offer is **5.30 p.m. (Singapore time) on 27 July 2020** (the “**Final Closing Date**”). Accordingly, the Offer will not be open for acceptance beyond the Final Closing Date and acceptances received after 5.30 p.m. (Singapore time) on the Final Closing Date will be rejected.

1.6 **Consultation.** If you are in any doubt about this Letter or the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately.

2. COMPULSORY ACQUISITION UNDER SECTION 215(1) OF THE COMPANIES ACT

2.1 **Compulsory Acquisition.** The Offeror will exercise its right of compulsory acquisition to acquire all the Shares held by you on a date (the “**Transfer Date**”) that is after 9 August 2020, being one (1) month from the date on which Form 57 is given, subject to and on the terms set out in the enclosed Form 57.

2.2 **Registration of Transfer.** Upon the payment of the Consideration to the Company by the Offeror, the Company will cause to be transferred to the Offeror all the Shares held by you and register the Offeror as the holder of all those Shares as soon as practicable. The Consideration will be credited by the Company into a separate bank account and held by the Company in trust for you and paid to you in accordance with the settlement procedures set out in paragraph 2.3 below.

2.3 **Settlement.** Subject to and in accordance with the provisions of Section 215(1) of the Companies Act and the terms set out in the enclosed Form 57, as soon as practicable after the Transfer Date:

- (a) if your Shares are held through a Securities Account maintained with CDP, CDP will, on behalf of the Company, despatch remittances in the form of S\$ cheques drawn on a bank in Singapore for the appropriate amounts of the Consideration payable in respect of your Shares to you by ordinary post and at your own risk, to your address as it appears in the records of CDP, or in such manner as you may have agreed with CDP for payment of any cash distribution; and
- (b) if your Shares are held in certification form, the Share Registrar will, on behalf of the Company, despatch a S\$ cheque drawn on a bank in Singapore for the appropriate amounts of the Consideration payable in respect of your Shares to you by ordinary post and at your own risk, to your address as it appears in the register of members of the Company.

2.4 **No Action Needed.** No action needs to be taken by you in relation to Form 57 to entitle you to payment, which will be made to you in accordance with paragraphs 2.2 and 2.3 above.

3. RIGHTS UNDER SECTION 215(3) OF THE COMPANIES ACT

3.1 **Non-Assenting Shareholder.** Under Section 215(3) of the Companies Act, you have the right to require the Offeror to acquire your Shares. In connection therewith, a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act (“**Form 58**”) is enclosed with this Letter. You may, within three (3) months from the date of Form 58 (that is, by 9 October 2020), require the Offeror to acquire your Shares and the Offeror shall be entitled and bound to acquire your Shares at the Consideration.

3.2 **No Action Needed.** As the Offeror would be proceeding to compulsorily acquire your Shares pursuant to Section 215(1) of the Companies Act as described in paragraph 2 above, you need not take any action in relation to Form 58. Shareholders who wish to exercise their right under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.

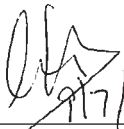
4. RESPONSIBILITY STATEMENT

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

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Letter.

The Directors jointly and severally accept responsibility accordingly.

Yours faithfully,
For and on behalf of
DYNAMIC TECHNOLOGY PTE. LTD.


9/7/2020

GOH SEOK ENG
Director

Enclosed: Form 57 and Form 58

