

JOINT ANNOUNCEMENT

PROPOSED ACQUISITION BY HONG WEI HOLDINGS LTD OF ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF SPINDEX INDUSTRIES LIMITED BY WAY OF A SCHEME OF ARRANGEMENT

1. **INTRODUCTION**

- 1.1 **The Scheme.** The respective boards of directors of Spindex Industries Limited (the "**Company**") and Hong Wei Holdings Ltd (the "**Offeror**") are pleased to announce the proposed acquisition (the "**Acquisition**") by the Offeror of all the issued and paid-up ordinary shares in the capital of the Company (the "**Shares**"). The Acquisition will be effected by way of a scheme of arrangement (the "**Scheme**") in accordance with Section 210 of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**") and the Singapore Code on Take-overs and Mergers (the "**Code**").
- 1.2 **Implementation Agreement.** In connection with the Acquisition, the Company and the Offeror (each, a "**Party**" and collectively, the "**Parties**") have today entered into an implementation agreement (the "**Implementation Agreement**") setting out the terms and conditions on which the Offeror and the Company will implement the Scheme.
- 1.3 **Cash Consideration and Premium.**

Under the Scheme, all Shares as at a books closure date to be announced by the Company will be acquired by the Offeror for a consideration of S\$0.850 in cash for each Share ("Cash Consideration**").**

The Offeror does **not** intend to increase the Cash Consideration and therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Scheme, including the Cash Consideration.

The Scheme presents the shareholders of the Company (the "**Shareholders**") with an opportunity to realise their investment in the Shares at an attractive premium of approximately 23.4% over the volume weighted average price ("**VWAP**") of S\$0.689 per Share for the three (3)-month period up to and including 8 February 2017 (being the last full trading day prior to the date of this Announcement (the "**Last Trading Day**"), without incurring brokerage and other trading costs. Please refer to paragraphs 6.2 and 6.3 of this Joint Announcement for further details.

2. **INFORMATION ON THE PARTIES**

- 2.1 **The Company.** The Company was incorporated in Singapore on 26 May 1987. The Company was listed on the Stock Exchange of Singapore Dealing and Automated Quotation in November 1998 and upgraded to the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in April 2001. The Company and its subsidiaries (collectively, the "**Group**") are principally engaged in the business of being an integrated solution provider of

precision machined components and assemblies with manufacturing locations in Malaysia, China and Vietnam. The Group serves diverse market sectors consisting of multi-national corporations in imaging and printing, machinery and automotive systems and consumer-related products.

The board of directors of the Company comprises the following:

- (a) Mr Tan Choo Pie @ Tan Chang Chai (Chairman);
- (b) Mr Tan Heok Ting (Managing Director);
- (c) Mr Chen Chang Rong (Executive Director);
- (d) Mr Chew Heng Ching (Lead Independent Director); and
- (e) Mr Chan Meng Wah Alexander (Independent Director).

As at the date of this Joint Announcement (the "**Joint Announcement Date**"), the Company has an issued and paid-up share capital of S\$13,145,807, comprising 115,365,000 Shares. As at the Joint Announcement Date, there are no treasury shares held in the issued share capital of the Company.

2.2 **The Offeror.** The Offeror is an investment holding company incorporated in the British Virgin Islands on 19 December 2016. The Offeror has not carried on any business since its incorporation, except to enter into certain arrangements in connection with the Acquisition and the Scheme. As at the Joint Announcement Date:

- (a) the Offeror has a share capital of 50,000 issued ordinary shares (the "**Offeror Shares**"), held by the following individuals in the following shareholding proportion:
 - (i) Mr Tan Choo Pie @ Tan Chang Chai holds 27,500 Offeror Shares comprising 55% of the total issued share capital of the Offeror;
 - (ii) Mrs Tan Choo Pie @ Tan Chang Chai holds 12,500 Offeror Shares comprising 25% of the total issued share capital of the Offeror; and
 - (iii) Mr Tan Heok Ting, being the son of Mr and Mrs Tan Choo Pie @ Tan Chang Chai, holds 10,000 Offeror Shares comprising 20% of the total issued share capital of the Offeror,(collectively, the "**Tan Family**"); and
- (b) the board of directors of the Offeror comprises the following:
 - (i) Mr Tan Choo Pie @ Tan Chang Chai; and
 - (ii) Mr Tan Heok Ting.

3. **THE SCHEME**

3.1 **The Acquisition.** Under the Scheme:

- (a) all the Shares held by the Shareholders of the Company as at a books closure date to be announced by the Company, on which the Transfer Books and the Register of

Members of the Company will be closed in order to determine the entitlements of the Shareholders in respect of the Scheme (the "**Books Closure Date**"), will be transferred to the Offeror:

- (i) fully paid;
 - (ii) free from all liens, equities, mortgages, charges, encumbrances, easements, rights of pre-emption, securities, title retentions, preferential rights, trust arrangements or other security interest or other third party rights and interests of any nature whatsoever; and
 - (iii) together with all rights, benefits and entitlements 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 by the Company on or after the Joint Announcement Date; and
- (b) in consideration for such transfer, the Shareholders as at the Books Closure Date (other than Mr Tan Choo Pie @ Tan Chang Chai and Mr Tan Heok Ting (collectively, the "**Tan Shareholders**")) will be entitled to receive from the Offeror a consideration of S\$0.850 in cash for each Share. The Offeror does **not** intend to increase the Cash Consideration of S\$0.850 and therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Scheme, including the Cash Consideration.

At present, the Company has no intention of declaring any other dividends. However, in the event that any dividend, other distribution or return of capital is declared by the Company on or after the Joint Announcement Date, the Offeror reserves the right to reduce the Cash Consideration by the amount of such dividend, distribution or return of capital.

- 3.2 **Offeror Arrangement.** Each of the Tan Shareholders has entered into a deed in favour of the Offeror pursuant to which he waives all rights to receive any settlement or payment of the Cash Consideration that would otherwise be payable by the Offeror as consideration to such Tan Shareholder for the transfer of his Shares to the Offeror (the "**Waived Amount**") pursuant to the Scheme. There will be no changes to the shareholding in the Offeror as set out in paragraph 2.2(a) upon the Scheme becoming effective in accordance with its terms.

The Securities Industry Council of Singapore ("**SIC**") has ruled that the Offeror Arrangement does not constitute a special deal under Rule 10 of the Code and there is no requirement for the Offeror to offer Offeror Shares as consideration to all the Shareholders.

- 3.3 **Scheme Document.** Further information on the Scheme and the terms and conditions upon which the Scheme will be implemented by the Company and the Offeror will be set out in the document to be issued by the Company to the Shareholders containing, *inter alia*, details of the Scheme (the "**Scheme Document**").
- 3.4 **Delisting.** On the date on which the Scheme becomes effective in accordance with its terms (the "**Effective Date**"), the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST, shortly after the Effective Date.

4. **SCHEME CONDITIONS**

- 4.1 **Scheme Conditions.** The Scheme is conditional upon the satisfaction or waiver (as the case may be) of a number of conditions precedent (the "**Scheme Conditions**") which are set out in

Schedule 1 to this Joint Announcement.

4.2 **Benefit of Scheme Conditions.**

- (a) **The Offeror's Benefit.** The Offeror alone may waive the Scheme Conditions in paragraphs 6, 7 (in relation to Prescribed Occurrences relating to the Company as set out in **Part II of Schedule 2** to this Joint Announcement) and 9 of **Schedule 1** to this Joint Announcement. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Offeror. The Offeror may at any time and from time to time at its sole and absolute discretion waive any such breach or non-fulfilment.
- (b) **The Company's Benefit.** The Company alone may waive the Scheme Conditions in paragraphs 7 (in relation to Prescribed Occurrences relating to the Offeror as set out in **Part I of Schedule 2** to this Joint Announcement) and 8 of **Schedule 1** to this Joint Announcement. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Company. The Company may at any time and from time to time at its sole and absolute discretion waive any such breach or non-fulfilment.
- (c) **Both Parties' Benefit.** The Scheme Conditions in paragraphs 1, 2, 3, 4 and 5 of **Schedule 1** to this Joint Announcement are not capable of being waived by either or both of the Company and the Offeror.

5. **TERMINATION**

5.1 **Right to Terminate.** The Implementation Agreement provides that the Implementation Agreement may be terminated at any time on or prior to the date falling on the business day immediately preceding the Effective Date (the "**Record Date**") (provided that the Party seeking termination does so only after it has had prior consultation with the SIC):

- (a) **Regulatory Action:** by either the Company or the Offeror, if any court of competent jurisdiction or governmental agency has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, the Acquisition or any part thereof, or has refused to do anything necessary to permit the Scheme, the Acquisition or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;
- (b) **Breach:** either (i) by the Offeror, if the Company is in material breach of any provision of the Implementation Agreement (other than a provision which is qualified by a materiality test, in which case any breach shall suffice) or has failed to perform and comply in all material respects with any matters referred to in paragraph 9(b) of **Schedule 1** to this Joint Announcement on or prior to the Record Date; or (ii) by the Company, if the Offeror is in material breach of any provision of the Implementation Agreement (other than a provision which is qualified by a materiality test, in which case any breach shall suffice) or has failed to perform and comply in all material respects with any matters referred to in paragraph 8(b) of **Schedule 1** to this Joint Announcement on or prior to the Record Date, provided that either the Offeror or the Company, as the case may be, has given written notice to the other Party of the alleged breach and stating its intention to terminate the Implementation Agreement ("**Notice of Breach**"). In this circumstance, the defaulting Party shall be given a period of 14 calendar days from the date of the Notice of Breach (or such longer period as may be agreed to by the non-defaulting Party in writing) (the "**Remedy Period**") to remedy such breach (insofar as capable of remedy) to the reasonable satisfaction of the non-defaulting Party, failing which the Implementation Agreement shall be terminated on the date of the expiry of the Remedy Period; and

- (c) **Shareholders' Approval:** by either the Company or the Offeror, if the resolutions in respect of the Scheme are not approved (without amendment) by the requisite majorities of the Shareholders at the meeting of the Shareholders to be convened pursuant to the order of the High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore (the "**Court**") to approve the Scheme and any adjournment thereof (the "**Court Meeting**").

5.2 **Non-fulfilment of Scheme Conditions.** Notwithstanding anything contained in the Implementation Agreement, the Implementation Agreement shall terminate if any of the Scheme Conditions has not been satisfied (or, where applicable, has not been waived) by the date falling 180 days from the date of the Implementation Agreement (or such other date as the Company and the Offeror may agree), except that:

- (a) in the event of any non-fulfilment of the Scheme Conditions in paragraphs 6, 7 (in relation to Prescribed Occurrences relating to the Company as set out in **Part II of Schedule 2** to this Joint Announcement) and/or 9 of **Schedule 1** to this Joint Announcement, the Offeror may only rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement with the prior consultation and approval of the SIC; and
- (b) in the event of any non-fulfilment of the Scheme Conditions in paragraphs 7 (in relation to Prescribed Occurrences relating to the Offeror as set out in **Part I of Schedule 2** to this Joint Announcement) and/or 8 of **Schedule 1** to this Joint Announcement, the Company may only rely on such non-fulfilment of any such Scheme Condition to terminate the Implementation Agreement with the prior consultation and approval of the SIC.

5.3 **Effect of Termination.** In the event of termination of the Implementation Agreement by either the Company or the Offeror pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for certain surviving provisions such as those relating to confidentiality, costs and expenses and governing law) and there shall be no other liability on the part of either the Company or the Offeror, save in respect of any antecedent breach under the Implementation Agreement.

6. **RATIONALE FOR THE ACQUISITION**

6.1 **Offeror's Intention to Delist and Privatise the Company**

As noted in paragraph 3.4 above, the Offeror intends to delist the Company from the SGX-ST upon the Scheme becoming effective in accordance with its terms.

The Offeror believes that the privatisation of the Company would provide the Offeror and the management of the Company greater flexibility to manage the business of the Company for a longer horizon. In the event that the Company is delisted from SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations. The Offeror notes that the Company has not carried out any equity fund raising on the SGX-ST since its listing and currently has no intention to do so. Accordingly, the Offeror believes that the Company's listing status is of limited utility to the Company.

The Offeror has no intention of making any material changes to the existing businesses, re-deploying the fixed assets, or discontinuing the employment of the existing employees of the Company. However, the directors of the Offeror retain the flexibility at any time to consider any options or opportunities in relation to the Company which may present themselves and

which they may regard to be in the best interests of the Offeror.

6.2 The Cash Consideration represents an attractive premium to historical market prices

The Acquisition represents a cash exit opportunity for Shareholders to realise their entire investment in cash at an attractive premium over the market prices of the Shares prior to the Joint Announcement Date, without incurring brokerage fees.

As stated below, the Cash Consideration represents a premium of approximately 21.4%, 20.9%, 23.4%, 15.3% and 12.9% over the last transacted price per Share on 8 February 2017 (being the Last Trading Day), and the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods, respectively:

	Description	Share Price ⁽¹⁾⁽²⁾ (S\$)	Premium over Share Price (%) ⁽³⁾
(a)	Last transacted price per Share on 8 February 2017 (being the Last Trading Day)	0.700	21.4
(b)	VWAP for the one (1)-month period prior to and including the Last Trading Day	0.703	20.9
(c)	VWAP for the three (3)-month period prior to and including the Last Trading Day	0.689	23.4
(d)	VWAP for the six (6)-month period prior to and including the Last Trading Day	0.737	15.3
(e)	VWAP for the 12-month period prior to and including the Last Trading Day	0.753	12.9

Notes:

- (1) The figures set out in this paragraph 6.2 are based on data extracted from Bloomberg L.P. as at 8 February 2017, being the Last Trading Day.
- (2) Rounded to the nearest three (3) decimal places.
- (3) Rounded to the nearest one (1) decimal place.

6.3 Opportunity for Shareholders who may find it difficult to exit their investment in the Company due to low trading liquidity

The historical trading liquidity of the Shares on the SGX-ST has been low. The average daily trading volume of the Shares over the last one (1)-month, three (3)-month, six (6)-month and 12-month periods up to and including the Last Trading Day are detailed in the table below:

Description		Average daily trading volume ⁽¹⁾	Average daily trading volume as a percentage of total number of issued Shares (%) ⁽²⁾⁽³⁾
(a)	One (1)-month period prior to and including the Last Trading Day	38,305	0.033
(b)	Three (3)-month period prior to and including the Last Trading Day	26,963	0.023
(c)	Six (6)-month period prior to and including the Last Trading Day	55,576	0.048
(d)	12-month period prior to and including the Last Trading Day	69,561	0.060

Notes:

- (1) Calculated using the total volume of Shares traded divided by the number of Market Days with respect to the one (1)-month period, three (3)-month period, six (6)-month period and 12-month period prior to and including the Last Trading Day. "**Market Day**" is defined as a day on which the SGX-ST is open for securities trading.
- (2) Calculated using the daily total volume of Shares traded divided by the total number of issued Shares.
- (3) Rounded to the nearest three (3) decimal places.

The Scheme therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in Shares with an opportunity to liquidate and realise their investment in the Shares at a premium to the historical market prices which would otherwise not be available given the low trading liquidity.

7. APPROVALS REQUIRED

7.1 Court Meeting and Court Sanction. The Scheme will require, *inter alia*, the following approvals:

- (a) the approval of the Scheme by a majority in number of Shareholders representing not less than three-fourths in value of the Shares held by Shareholders present and voting either in person or by proxy at the Court Meeting; and
- (b) the sanction of the Scheme by the Court.

In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement and a copy of the order of the Court sanctioning the Scheme has been lodged with the Accounting and Corporate Regulatory Authority of Singapore.

7.2 SIC Confirmations. An application was made by the Offeror to the SIC to seek certain rulings in relation to the Scheme. The SIC has confirmed, *inter alia*, that:

- (a) the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28,

29, 33.2 and Note 1(b) to Rule 19 of the Code, subject to, *inter alia*, the following conditions:

- (i) the Offeror and its concert parties abstain from voting on the Scheme;
 - (ii) the Company appoints an independent financial adviser to advise the Shareholders on the Scheme; and
 - (iii) the Scheme Document contains advice to the effect that by voting for the Scheme, the Shareholders are agreeing to the Offeror and its concert parties acquiring or consolidating effective control of the Company without having to make a general offer for the Company; and
- (b) it has no objections to the Scheme Conditions.

8. **CONFIRMATION OF FINANCIAL RESOURCES**

DBS Bank Ltd. ("**DBS**"), as financial adviser to the Offeror, confirms that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Cash Consideration payable by the Offeror for all the Shares to be acquired by the Offeror (excluding the Waived Amount in respect of the Tan Shareholders) pursuant to the Scheme.

9. **INDEPENDENT FINANCIAL ADVISER**

The directors of the Company who are considered to be independent for the purposes of the Scheme, namely Mr Chen Chang Rong, Mr Chew Heng Ching and Mr Chan Meng Wah Alexander (the "**Independent Directors**"), will be appointing an independent financial adviser (the "**IFA**") to advise them for the purpose of making a recommendation to the Shareholders in connection with the Scheme.

The SIC has exempted Mr Tan Choo Pie @ Tan Chang Chai and Mr Tan Heok Ting, being directors and shareholders of the Offeror, from making recommendations to the Shareholders on the Scheme. They must, however, still assume responsibility for the accuracy of facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, the Company to its Shareholders in connection with the Scheme.

Full details of the Scheme including the recommendation of the Independent Directors along with the advice of the IFA (the "**IFA Letter**") will be included in the Scheme Document.

10. **SCHEME DOCUMENT**

The Scheme Document containing full details of the Scheme (including the recommendation of the Independent Directors along with the IFA Letter) and giving notice of the Court Meeting to approve the Scheme will be despatched to Shareholders in due course.

Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendation of the Independent Directors on the Scheme as well as the advice of the IFA set out in the Scheme Document.

Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

11. **DISCLOSURE OF INTERESTS**

- 11.1 **Company.** As at the Joint Announcement Date, the interests in Shares held by the directors of the Company are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%⁽¹⁾	No. of Shares	%⁽¹⁾
Mr Tan Choo Pie @ Tan Chang Chai	28,175,670	24.42	-	-
Mr Tan Heok Ting	1,214,000	1.05	-	-
Mr Chew Heng Ching	20,000	0.017	-	-

Note:

- (1) Based on an issued and paid-up share capital comprising 115,365,000 Shares as at the Joint Announcement Date.

Save as disclosed in this Joint Announcement, no director or controlling Shareholder of the Company has any interest in the Scheme (other than by reason only of being a director or Shareholder of the Company).

- 11.2 **Offeror.** As at the Joint Announcement Date, the interests in Shares held by the Tan Shareholders are set out below:

Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%⁽¹⁾	No. of Shares	%⁽¹⁾
Mr Tan Choo Pie @ Tan Chang Chai	28,175,670	24.42	-	-
Mr Tan Heok Ting	1,214,000	1.05	-	-

Note:

- (1) Based on an issued and paid-up share capital comprising 115,365,000 Shares as at the Joint Announcement Date.

Save as disclosed in this Joint Announcement, none of (1) the Offeror, (2) the members of the Tan Family and their respective immediate family members and (3) DBS (the "**Relevant Persons**"):

- (a) owns, controls or has agreed to acquire any (i) Shares; (ii) securities which carry voting rights in the Company; or (iii) convertible securities, warrants, options or derivatives in respect of such Shares or securities which carry voting rights in the Company (collectively, the "**Company Securities**");
- (b) has received any irrevocable commitment or undertakings from any person to vote and/or procure the voting of all the Shares to approve the Scheme and any other matter necessary or proposed to implement the Scheme; and
- (c) has, in respect of any Company Securities, (i) granted any security interest to another person, whether through a charge, pledge or otherwise; (ii) borrowed from another person (excluding borrowed Company Securities which have been on-lent or sold); or (iii) lent to another person.

All references to "**derivative**" shall mean 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 which causes the holder to have a long economic exposure to the underlying

securities.

In the interests of confidentiality, save for the Relevant Persons, 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 Scheme. Further enquiries will be made of such persons subsequent to this Joint Announcement and the relevant disclosures will be made in due course and in the Scheme Document.

- 11.3 **Disclosure of Dealings.** In accordance with the Code, the associates (as defined under the Code, and which includes all substantial shareholders) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company and the Offeror under Rule 12 of the Code.

12. **OVERSEAS SHAREHOLDERS**

The applicability of the Scheme to Shareholders whose addresses are outside Singapore, as shown on the Register of Members of the Company, or as the case may be, in the records of The Central Depository (Pte) Limited (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about and observe any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending the Scheme Document to any overseas jurisdiction, the Offeror and the Company reserves the right not to send such documents to the Shareholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all Shareholders (including the Overseas Shareholders), including those to whom the Scheme Document will not be, or may not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

Overseas Shareholders who are in doubt about their positions should consult their own professional advisers in the relevant jurisdictions.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

13. **DOCUMENT FOR INSPECTION**

A copy of the Implementation Agreement will be made available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the Effective Date.

14. **RESPONSIBILITY STATEMENTS**

- 14.1 **Company.** The directors of the Company (including any who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement (excluding information relating to the Offeror and the Tan Family or any opinion expressed by the Offeror) are fair and accurate and that, where appropriate, no material facts in relation thereto have been omitted from this Joint Announcement, and the directors of the Company jointly

and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the directors of the Company has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of the Company do not accept any responsibility for any information relating to the Offeror and/or the Tan Family or any opinion expressed by the Offeror.

- 14.2 **Offeror.** The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Joint Announcement (excluding information relating to the Company or any opinion expressed by the Company) are fair and accurate and that, where appropriate, no material facts in relation thereto have been omitted from this Joint Announcement, and the directors of the Offeror jointly and severally accept responsibility accordingly.

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 of the Offeror has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of the Offeror do not accept any responsibility for any information relating to or any opinion expressed by the Company.

9 February 2017

By order of the Board of Directors of

By order of the Board of Directors of

SPINDEX INDUSTRIES LIMITED

HONG WEI HOLDINGS LTD

Any queries relating to this Joint Announcement, the Acquisition or the Scheme should be directed during normal business hours to:

DBS Bank Ltd.

Tel: +65 6878 2150

Forward-Looking Statements

All statements other than statements of historical facts included in this Joint 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", "target" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's or the Company's (as the case may be) 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 expressed or implied in such forward-looking statements. Given the risks and uncertainties that may cause actual results or outcomes to differ materially from those expressed or implied in such forward-looking statements, Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor the Company guarantees any future performance or event or undertakes any obligation to update publicly or revise any forward-looking statements.

SCHEDULE 1

SCHEME CONDITIONS

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the registered office of the Company from the Joint Announcement Date up until the Effective Date.

The Acquisition is conditional upon the following:

1. **Scheme:** the approval of the Scheme by the Shareholders in compliance with the requirements of Section 210 of the Companies Act;
2. **Court Order:** the grant of the Court Order by the Court and such Court Order having become final;
3. **No Injunctions:** no injunction or other order being issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof;
4. **ACRA Lodgement:** the lodgement of the Court Order with ACRA;
5. **Regulatory Approvals:** all Regulatory Approvals having been obtained prior to the Record Date, and not withdrawn or revoked on or before the Record Date, including without limitation, the following:
 - (a) confirmation from the SIC that Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) to Rule 19 of the Code shall not apply to the proposed Scheme;
 - (b) confirmation from the SIC that it has no objections to the conditions set out in this **Schedule 1**; and
 - (c) the approval-in-principle from the SGX-ST for the Scheme Document and for the proposed delisting of the Company from the Main Board of the SGX-ST,subject to any conditions the SIC or the SGX-ST (as the case may be) may deem fit to impose;
6. **Authorisations:** prior to the Record Date, in addition to the approvals mentioned in paragraph 5 above, all other authorisations, consents, waivers, clearances, permissions and approvals as are necessary or required under any instrument, contract, document or agreement to which any Group Company is a party, for or in respect of the implementation of the Scheme and the Acquisition having been obtained, and not withdrawn or revoked on or before the Record Date;
7. **No Prescribed Occurrence:** between the date of the Implementation Agreement and the Record Date, no Prescribed Occurrence in relation to the Offeror (as set out in **Part I of Schedule 2** to this Joint Announcement) or the Company (as set out in **Part II of Schedule 2** to this Joint Announcement) (as the case may be) occurring, other than as required or contemplated by the Implementation Agreement or pursuant to the Acquisition;

8. **The Offeror's Warranties and the Offeror's Covenants:**

- (a) the Offeror's Warranties being true and correct in all respects as of the date of the Implementation Agreement and as of the Record Date as though made on and as of that date, and for this purpose only, where there is an express reference in any Offeror's Warranty to the "date of the Implementation Agreement", that reference is to be construed as a reference to the Record Date to the extent applicable; and
- (b) the Offeror having, as of the Record Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement (including the undertakings set out in Clause 6.3 of the Implementation Agreement) which are required to be performed by or complied with by it, on or prior to the Record Date; and

9. **The Company's Warranties and the Company's Covenants:**

- (a) the Company's Warranties being true and correct in all respects as of the date of the Implementation Agreement and as of the Record Date as though made on and as of that date and for this purpose only, where there is an express reference in any Company's Warranty to the "date of the Implementation Agreement", that reference is to be construed as a reference to the Record Date to the extent applicable; and
- (b) the Company having, as of the Record Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement (including the undertakings set out in Clause 6.2 of the Implementation Agreement) which are required to be performed by or complied with by it, on or prior to the Record Date.

SCHEDULE 2

PREScribed OCCURRENCE

For the purposes of the Implementation Agreement, a "**Prescribed Occurrence**", as referred to in paragraphs 4.2(a), 4.2(b), 5.2(a) and 5.2(b) of the Joint Announcement and paragraph 7 of **Schedule 1** to this Joint Announcement and defined in the Implementation Agreement, means, in relation to the Offeror or the Company, as the case may be, any of the following:

PART I – IN RELATION TO THE OFFEROR

1. **Injunction:** an injunction or other order issued against the Offeror by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme;
2. **Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of the Offeror or the Offeror resolving that it be wound up;
3. **Appointment of Liquidator, Judicial Manager, Receiver:** the appointment of a liquidator, provisional liquidator, judicial manager and/or provisional judicial manager of the Offeror, or receiver or manager over all or a part of the assets or undertakings of the Offeror;
4. **Composition:** the Offeror entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
5. **Insolvency:** the Offeror becoming or being deemed by law or a court of competent jurisdiction to be insolvent, or stops or suspends or defaults on, or threatens to stop or suspend or default on, payment of its debts of a material amount as they fall due;
6. **Cessation of Business:** the Offeror ceases or threatens to cease for any reason to carry on business in its usual and ordinary course;
7. **Breach of the Implementation Agreement:** the Offeror being in material breach of any of the provisions of the Implementation Agreement;
8. **Investigations and Proceedings:** if the Offeror or any of its respective directors is or will be the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding relating to any criminal or statutory offence of the Offeror or any of its respective directors, which would have a material adverse effect on the business, operations, assets and/or financial condition of the Offeror, taken as a whole, provided that this paragraph does not apply to a case where the Offeror or any of its respective directors assists in any investigation of other persons; or
9. **Analogous Event:** any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

PART II – IN RELATION TO THE COMPANY

1. **Injunction:** an injunction or other order issued against the Company by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme;
2. **Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of any Group Company or a Group Company resolving that it be wound up;

3. **Appointment of Liquidator, Judicial Manager, Receiver:** the appointment of a liquidator, provisional liquidator, judicial manager and/or provisional judicial manager of any Group Company, or receiver or manager over all or a part of the assets or undertakings of any Group Company;
4. **Composition:** any Group Company entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
5. **Insolvency:** any Group Company becoming or being deemed by law or a court of competent jurisdiction to be insolvent, or stops or suspends or defaults on, or threatens to stop or suspend or default on, payment of its debts of a material amount as they fall due;
6. **Cessation of Business:** any Group Company ceases or threatens to cease for any reason to carry on business in its usual and ordinary course;
7. **Breach of the Implementation Agreement:** the Company being in material breach of any of the provisions of the Implementation Agreement;
8. **Investigations and Proceedings:** if any Group Company or any of their respective directors is or will be the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding relating to any criminal or statutory offence of any Group Company or any of their respective directors, which would have a material adverse effect on the business, operations, assets and/or financial condition of the Group, taken as a whole, provided that this paragraph does not apply to a case where a relevant Group Company or any of their respective directors assists in any investigation of other persons; or
9. **Analogous Event:** any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

For the purpose of paragraphs 5 and 8 of this **Part II of Schedule 2** to this Joint Announcement, a matter is "material" or deemed to have a "material adverse effect" if it has the effect of causing the net asset value of the Group ("**Group NAV**") to decrease by more than 5% from the Group NAV of S\$87,443,000 as set out in the audited consolidated balance sheet of the Group as at 30 June 2016.