

# VOLUNTARY CONDITIONAL CASH PARTIAL OFFER

by

## NG HOCK CHING

To acquire approximately ten point three per cent. (10.3%) of the issued ordinary shares in the capital of

**FU YU CORPORATION LIMITED**  
(Company Registration No. 198004601C)  
(Incorporated in the Republic of Singapore)

other than those held in treasury  
and those already owned, controlled or agreed to be acquired by  
Ng Hock Ching or any party acting in concert with him

### 1. INTRODUCTION

Mr Ng Hock Ching (“**Mr Ng**” or the “**Offeror**”) wishes to announce that the Offeror will make a voluntary conditional cash partial offer for ten point three per cent. (10.3%) of issued ordinary shares (the “**Shares**”) in the share capital of Fu Yu Corporation Limited (the “**Offeree**” or the “**Company**”), other than those held in treasury and those already owned, controlled or agreed to be acquired by the Offeror or any party acting in concert with him (the “**Partial Offer**”).

### 2. THE PARTIAL OFFER TERMS

2.1 The Offeror will make the Partial Offer in accordance with Rule 16.2 of the Singapore Code on Take-overs and Mergers (the “**Code**”), on the following basis:

- (a) **Offer Price.** The Partial Offer is made for **S\$0.09** in cash in respect of each Offer Share (the “**Offer Price**”).
- (b) **Relevant Shareholders.** The Partial Offer will be extended to all shareholders of the Offeree (other than the Offeror and parties acting in concert with him) (the “**Relevant Shareholder**”) on the record date to be determined, which will fall on the 14<sup>th</sup> day before the First Closing Date (as defined below) of the Partial Offer (or if such day falls on a non-business day, on the immediately following business day) (the “**Record Date**”).
- (c) **Offer Shares.** The Offer Shares comprise 70,000,000 Shares (the “**Offer Shares**”), representing approximately ten point three per cent. (10.3%) of 681,562,775 Shares (the “**Relevant Shares**”), being the 732,834,775 Shares in issue less the 51,272,000 Shares already owned, controlled or agreed to be acquired by the Offeror or his concert parties as at the date of this Announcement (“**Announcement Date**”).

Each Relevant Shareholder will be entitled to accept the Partial Offer in respect of ten point three per cent. (10.3%) of the Relevant Shares (for example, 103 Shares for every 1,000 Shares) held by him as at the Record Date, fractional entitlements to be disregarded (the “**Relevant Percentage Offer Shares**”). A Relevant Shareholder may accept the Partial Offer in respect of all or any part of his Relevant Percentage Offer Shares.

Each Relevant Shareholder may, in addition, tender Shares that are in excess of the number of his Relevant Percentage Offer Shares (the “**Excess Shares**”) for acceptance under the Partial Offer in the event that any one or more Relevant Shareholders do not accept their full entitlement of their respective Relevant Percentage Offer Shares.

Under the terms of the Partial Offer, the Offeror is permitted to acquire only the Offer Shares

and is not permitted to acquire any additional Shares which may be tendered for acceptance under the Partial Offer. Where the aggregate number of the Shares accepted and the Excess Shares tendered by the Relevant Shareholders exceed the number of the Offer Shares, the Excess Shares tendered will be accepted up to the number of Offer Shares on a pro-rata basis (but in a manner which minimises the number of new odd-lot shareholdings as the Offeror may in his absolute discretion deem fit in the interest of the Offeror), provided that the Partial Offer becomes unconditional in all respects from such acceptance.

- (d) **No Encumbrances.** The Offer Shares will be acquired fully-paid and free from all liens, equities, mortgages, charges, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) which may be announced, declared, made or paid thereon by the Offeree on or after the Announcement Date, together with all interest accrued thereon.
- (e) **First Closing Date.** The Partial Offer will remain open for acceptance by the Relevant Shareholders for a period of not less than 28 days from the date of despatch of the Offer Document (as defined below) (the “**First Closing Date**”). Details of the First Closing Date will be announced in due course.
- (f) **Settlement.** Subject to the Partial Offer becoming unconditional in all respects, settlement of the consideration for the Offer Shares acquired by the Offeror will be made within 10 days of the closing date of the Partial Offer, being the First Closing Date or such other later date as may be announced from time to time by or on behalf of the Offeror.

2.2 As at the Announcement Date, based on the latest information available to the Offeror, the Company has an aggregate of 34,740,000 outstanding options (“**Options**”) to acquire Shares, which were granted under the Fu Yu Employee Share Option Scheme (“**Option Scheme**”). Save as disclosed, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights, in the Offeree.

The terms of the Option Scheme provide that the Options are not transferrable unless with the prior approval of the committee administering the Option Scheme. Accordingly, the Partial Offer will not be extended to the holders of the Options. The Partial Offer will however be extended, on the same terms and conditions, to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of the Options on or prior to the close of the Partial Offer. For the purposes of the Partial Offer, the expression “**Offer Shares**” shall include all such new Shares.

2.3 The Offer Shares will be acquired fully-paid and free from all liens, equities, mortgages, charges, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) which may be announced, declared, made or paid thereon by the Offeree on or after the Announcement Date, together with all interest accrued thereon. Accordingly, in the event the Partial Offer turns unconditional and:

- (a) if the settlement date in respect of the Offer Shares accepted pursuant to the Partial Offer falls on or before the books closure date for the determination of entitlement to any such dividend (“**Books Closure Date**”), the Offeror will pay the relevant accepting shareholder the Partial Offer Price for each Offer Share; and
- (b) if the settlement date in respect of the Offer Shares accepted pursuant to the offer falls after the Books Closure Date, the Offeror will reduce the Offer Price by the amount of the dividend.

2.4 **Resultant Shareholding.** Assuming that the Partial Offer is successful and no new Shares are issued between the Announcement Date and the close of the Partial Offer, the acquisition of the Offer Shares pursuant to the Partial Offer, when taken together with the Offeror’s Shares, will result in the Offeror holding 121,272,000 Shares representing approximately 16.5% of the total issued and paid-up share capital of the Offeree as at the Announcement Date.

2.5 **Securities Industries Council Approval.** On 14 February 2014, the Securities Industries Council

(“SIC”) granted its consent to the making of the Partial Offer in accordance with Rule 16.1 and Rule 16.2 of the Code subject to the following conditions:-

- (a) arrangements are made with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) prior to the posting of the Offer Document to provide a temporary trading counter to trade odd-lots in the Shares after the close of the Partial Offer. Such counter should be open for a reasonable period of time, which in any case should not be shorter than 1 month;
- (b) the Partial Offer is made to all shareholders of the class and arrangements are made for those shareholders who wish to accept in full for the relevant percentage of their holdings. Shares tendered in excess of this percentage should be accepted by the Offeror from each shareholder in the same proportion as the number tendered to the extent necessary to enable the Offeror to obtain the total number of Offer Shares for which the Offeror has offered. The Offeror should arrange its acceptance procedure to minimise the number of new odd-lot shareholdings;
- (c) when a Partial Offer is made for a company with more than one class of equity share capital, a comparable offer is made for each other class;
- (d) an appropriate Partial Offer is made for outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights\*. In addition, the Partial Offer to shareholders must be extended to holders of newly issued shares arising from the exercise of such instruments, subscription rights or options during the offer period;
- (e) the precise number of shares, percentage or proportion offered is stated, and the offer may not be declared unconditional as to acceptances unless acceptances are received for not less than that number, percentage or proportion; and
- (f) the Offeror not acquiring voting rights in the Company during the offer period.

**Note:**

\* The SIC has confirmed that the Partial Offer may not be extended to the Options.

### **3. THE PARTIAL OFFER CONDITIONS**

3.1 The Partial Offer will be conditional upon the following (the “**Offer Conditions**”):

- (a) The Offeror having received, by the closing date of the Partial Offer, valid acceptances and/or tenders in respect of not less than 70,000,000 Offer Shares, representing approximately ten point three per cent. (10.3%) of the Relevant Shares;
- (b) No announcement, agreement, arrangement, memorandum of understanding and/or statement of intention (whether or not legally binding) relating to any Material Transaction (as defined below) shall have been released, entered into and/or completed or consummated prior to the close of the Partial Offer.

For these purposes, a “**Material Transaction**” means a transaction or proposed transaction involving:

- (i) the Offeree or any of its subsidiaries (collectively the “**Offeree Group**”) or any of its associated companies (the “**Offeree Affiliate**”), or to which any member of the Offeree Group or any Offeree Affiliate is a party (I) which has a consideration or value (whether in cash or otherwise) equal to or greater than 20% of the unaudited net asset value of the Offeree Group as of 31 December 2013, or (II) which is outside the ordinary course of business of the Offeree Group;
- (ii) any issue of Shares or securities which carry voting rights in the Offeree, or are convertible into Shares or securities which carry voting rights in the Offeree, or rights to subscribe for or options in respect of such securities; or

- (iii) a recommendation, declaration or payment by any member of the Offeree Group or any Offeree Affiliate of dividends or other distributions (including, without limitation, interim dividends),

whether such transaction (aa) involves an acquisition, disposal, takeover offer, scheme of arrangement or reconstruction, merger, consolidation or other combination, dual-listed companies structure, joint venture, strategic alliance or otherwise; or (bb) involves a single transaction or a number of related transactions and whether at one time or over a period of time;

- (c) Since 31 December 2013:

- (i) there being no material adverse change in the assets, business, financial condition, profits, liabilities, prospects or results of operations of the Offeree Group taken as a whole; or
- (ii) there being no litigation, winding up (whether initiated by creditors or otherwise), arbitration, prosecution or other legal proceedings having been instituted, announced or threatened by or against or remaining outstanding against any member of the Offeree Group or any Offeree Affiliate which could have a material adverse effect on the Offeree Group taken as a whole;

in each case so as to cause or to be likely to cause either the net assets or the net profit after tax of the Offeree Group to be decreased by more than 5%;

- (d) The Offeree shall not have authorised, recommended, proposed or entered into an agreement, agreement in principle or arrangement or understanding with respect to any liquidation, winding up, dissolution, merger, consolidation, release or relinquishment of any material contractual right, any material change in the Offeree's share capital, or other right of the Offeree or any event having an analogous effect and not in the ordinary course of business; and
- (e) No suspension (other than a trading halt at the request of the Offeree) by the SGX-ST of trading of the Shares on the SGX-ST and no removal of the Offeree by the SGX-ST from its official list.

3.2 The Partial Offer will not become or be capable of being declared unconditional in all respects unless all the above Offer Conditions are satisfied or waived prior to the close of the Partial Offer, and except for condition 3.1(a) above, the Offeror will not invoke any condition that will cause the Partial Offer to lapse, unless (i) the circumstances which give rise to the right to invoke the condition are of material significance to the Offeror in the context of the Partial Offer, and (ii) prior consent is obtained from the SIC.

#### 4. FINANCIAL EVALUATION OF THE PARTIAL OFFER

4.1 In arriving at the Offer Price, the Offeror took into account, *inter alia*, the premiums offered by the Offer Price over various prices at which the Shares were trading on the SGX-ST during certain periods, as detailed below:

Period	Volume Weighted Average Price (VWAP) per Share (S\$) <sup>(2)</sup>	Premium/(Discount) of Offer Price to VWAP per Share <sup>(3)</sup>
(i) 1 market day <sup>(1)</sup> prior to the Announcement Date	0.0872	3.2%
(ii) 30 market days prior to the Announcement Date	0.0839	7.3%
(iii) 60 market days prior to the Announcement Date	0.0831	8.3%
(iv) 180 market days prior to the Announcement Date	0.0945	(4.8%)

**Notes:**

- (1) The last market day immediately prior to the Announcement Date on which the Shares were traded is 26 February 2014.
- (2) The figures set out in paragraph 4.1 are based on data extracted from Bloomberg on 27 February 2014.
- (3) Figures rounded to the nearest one decimal place.

4.2 Further information on the financial aspects of the Partial Offer will be set out in the Offer Document (as defined below) to be despatched to the Relevant Shareholders in due course.

## 5. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

5.1 As at the Announcement Date, the Offeror owns, controls or has agreed to acquire an aggregate of 51,272,000 Shares representing approximately 7.0% of the total issued Share capital of the Offeree (approximately 0.1% direct interest and approximately 6.9% deemed interest through bank nominees of the issued share capital of the Offeree) as at the Announcement Date as set out below:

Name	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Ng Hock Ching	829,000	0.1	50,443,000	6.9

5.2 Save as disclosed in this Announcement, the Offeror:

- (a) does not own, control or has agreed to acquire any (i) Shares; (ii) securities which carry voting rights in the Offeree; (iii) securities which are convertible into Shares or securities which carry voting rights in the Offeree; or (iv) rights to subscribe for, or options in respect of, such Shares or securities as at the Announcement Date;
- (b) has not dealt for value in any Shares during the six-month period immediately preceding the Announcement Date;
- (c) has not granted a security interest in any Shares to another person, whether through a charge, pledge or otherwise;
- (d) has not borrowed any Shares from another person (excluding borrowed securities which have been on-lent or sold); or
- (e) has not lent any Shares to another person.

5.3 As at the Announcement Date, none of the Offeror and the parties acting in concert with him has dealt for value in any (i) Shares; (ii) securities which carry voting rights in the Offeree; (iii) securities which are convertible into Shares or securities which carry voting rights in the Offeree; or (iv) rights to subscribe for, or options in respect of, such Shares or securities, in the six (6) month period immediately preceding the Announcement Date.

5.4 As at the date of this Announcement, none of the Offeror and the parties acting in concert with him has received any irrevocable undertaking from any holder of Offer Shares to accept or reject the Partial Offer.

5.5 In the interests of confidentiality, the Offeror has not made enquiries in respect of other parties who may be deemed to be acting in concert with the Offeror in connection with the Partial Offer. Further enquiries will be made of such persons and the relevant disclosures will be made in due course subsequently and in the Offer Document (as defined below).

## 6. INFORMATION ON THE OFFEROR

Mr Ng was appointed as an executive of the board of directors of the Company in January 2010 and resigned on 29 January 2013. The Offeror is currently an employee (general manager) of two of the Company's Singapore subsidiaries, NanoTechnology Manufacturing Pte Ltd (80% owned by the Offeree) and SolidMicron Technologies Pte Ltd (100% owned by the Offeree), and his role is to

manage and oversee the operations of these entities.

## **7. INFORMATION ON THE OFFEREE**

7.1 The Offeree is listed on the Main Board of the SGX-ST and the Offeree and its group of companies are the manufacturers and suppliers of high-precision injection moulds and plastic parts in Asia. The Offeree currently has 11 plants in Singapore, Malaysia and China. The Offeree's operations include the complete range from design to fabricate to assembly, and include secondary processes such as silk screening, pad printing, ultrasonic welding, heat staking and spray painting.

7.2 Based on the latest information available to the Offeror:

(a) the Offeree has an issued and paid-up share capital comprising 732,834,775 Shares, and

(b) its substantial shareholders are:

(i) the Offeror who holds approximately 7.0% of the issued share capital of the Offeree;

(ii) Ho Nee Kit with 96,999,225 Shares representing approximately 13.2%;

(iii) Tam Wai with 97,015,475 Shares representing approximately 13.2%;

(iv) Ching Heng Yang with 88,965,475 Shares representing approximately 12.1%; and

(v) Lui Choon Hay with 42,486,475 Shares representing approximately 5.8%;

(c) the Company does not have any Shares held in treasury.

## **8. RATIONALE FOR THE PARTIAL OFFER**

### **8.1 Investment in the Company.**

The Partial Offer by the Offeror is for investment purpose. As the Offeror's existing shareholding in the Company was acquired at a much higher cost compared to the current share price of the Company, the Offeror wishes to purchase additional shares in the Company now to average down his overall cost of investment in the Company.

### **8.2 Fluctuation in Share Price of the Company.**

Based on the Offeror's personal knowledge and observation, the Company's shares are thinly traded and the daily volume of transactions in the Company's shares is low as compared to many other counters. As such, by making the Partial Offer, it would be expedient for the Offeror to secure the number of shares the Offeror wishes to purchase in the shortest time possible. In addition, by making the Partial Offer, the Offeror hopes to prevent a fluctuation in the share price which may likely happen should the Offeror purchase the Company's shares in the open market especially when the shares of the Company are already thinly traded.

### **8.3 Intention for the Company.**

As disclosed in paragraph 6 (*Information on Offeror*) above, the Offeror is currently an employee in the Company's Singapore subsidiaries. The Offeror is not a director of the Company and is therefore not involved in the decision-making, strategising, planning or the overall management of the Company's operations. After the completion of the Partial Offer, it is the Offeror's intention to remain as an employee in the Company's Singapore subsidiaries.

## **9. CONFIRMATION OF FINANCIAL RESOURCES**

The Offeror has provided written confirmation from a financial institution that sufficient financial resources are available to the Offeror to satisfy in full acceptances of the Partial Offer on the basis



of the Offer Price.

#### **10. OFFER DOCUMENT**

A formal document which sets out the terms and conditions of the Partial Offer and enclosing the appropriate form(s) of acceptance of the Partial Offer (the “**Offer Document**”), will be despatched to the Relevant Shareholders not earlier than 14 and not later than 21 days from the date of this Announcement.

#### **11. OVERSEAS JURISDICTIONS**

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 laws. The Partial Offer will be made solely on the basis of the Offer Document and the form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Partial Offer, including details on how the Partial Offer may be accepted.

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.

#### **12. OVERSEAS SHAREHOLDERS**

The Partial Offer will be made pursuant to the Offer Document and the appropriate form(s) of acceptance accompanying the Offer Document. The availability of the Partial Offer to Relevant Shareholders whose addresses are outside Singapore as shown in the register of members of the Offeree, and as the case may be, in the records of The Central Depository (Pte) Limited (the “**Overseas Shareholders**”) may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements. Further details in relation to Overseas Shareholders will be contained in the Offer Document.

#### **13. RESPONSIBILITY STATEMENT**

The Offeror has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and the Offeror accepts responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, information relating to the Offeree), the sole responsibility 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, accurately reflected or reproduced in this Announcement.

Issued by

**NG HOCK CHING**

3 March 2014