

YONG XIN INTERNATIONAL HOLDINGS LTD
(Incorporated in the Republic of Singapore)
Company Registration Number 200515483H

BETTER ACE INTERNATIONAL LIMITED
(Incorporated in the British Virgin Islands)
Company Registration Number 679579

JOINT ANNOUNCEMENT

EXIT OFFER IN CONNECTION WITH THE DELISTING OF YONG XIN INTERNATIONAL HOLDINGS LTD PURSUANT TO RULES 1315, AND 1306 READ WITH 1309 OF THE LISTING MANUAL

1. INTRODUCTION

1.1 Notification of Delisting

Yong Xin International Holdings Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) and Better Ace International Limited (the “**Offeror**”) refer to the Notification of Delisting issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and received by the Company on 3 March 2015 (“**Notification of Delisting**”) informing it that SGX-ST will proceed to delist the Company (“**Delisting**”) pursuant to Listing Rule 1315 of the listing manual of the SGX-ST (“**Listing Manual**”) (as announced by the Company on the same day), and wish to jointly announce that the Offeror has presented to the directors of the Company (“**Directors**”), a formal proposal (“**Proposal**”) to make an exit offer to the shareholders of the Company (“**Shareholders**”) pursuant to Rules 1306 read with 1309 of the listing manual of the SGX-ST (“**Listing Manual**”) in connection with the Delisting.

1.2 Exit Offer

Under the Proposal, the Offeror will make an exit offer (“**Exit Offer**”) in cash, to acquire all the issued ordinary shares in the capital of the Company (“**Shares**”) ¹ held by all the Shareholders, other than those Shares already held by the Offeror as at the date of the Exit Offer (“**Offer Shares**”).

2. INFORMATION ON THE OFFEROR

2.1 The Offeror

The Offeror is a company incorporated in the British Virgin Islands (“**BVI**”) under the International Business Companies Act on 5 October 2005, and re-registered under the BVI Business Companies Act on 1 January 2007, and having its registered address at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. Its principal activity is that of investment holding.

As at the date of this announcement (“**Joint Announcement Date**”), the Offeror is a controlling shareholder of the Company, holding approximately 55.28% of the total number of issued Shares.

2.2 Director of the Offeror

As at the Joint Announcement Date, the sole director of the Offeror is Ms Pu Xiaofang, who is

¹ In this Joint Announcement, unless otherwise stated, all references to the total number of issued Shares shall be to 212,412,966 Shares (excluding treasury shares).

the Executive Chairman and Chief Executive Officer of the Company.

2.3 Shareholders of the Offeror

As at the Joint Announcement Date, Ms Pu Xiaofang holds approximately 19.36% of the total issued share capital of the Offeror. Ms Pu Xiaofang's mother, Mdm Wang Yufen, holds approximately 61.94% of the total issued share capital of the Offeror.

Mr Pu Qixing, a Non-Executive Director of the Company, also holds approximately 13.5% interest in the Offeror. The remaining shareholdings in the Offeror are held by unrelated parties of Ms Pu Xiaofang, Mdm Wang Yufen and Mr Pu Qixing.

3. **THE PROPOSAL**

The Offeror will make the Exit Offer in cash for all the Offer Shares, on the following terms and conditions:

3.1 Exit Offer Price

The offer price for each Offer Share will be S\$0.008 in cash ("**Exit Offer Price**").

The Offeror does not intend to revise the Exit Offer Price under any circumstances.

The Exit Offer Price shall be applicable to any number of Offer Shares that are tendered in acceptance of the Exit Offer.

3.2 No Encumbrances

The Offer Shares will be acquired fully paid and free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"), and together with all rights, benefits and entitlements attached thereto 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, which may be declared, paid or made by the Company on or after the Joint Announcement Date).

3.3 Acceptances

Shareholders may choose to accept the Exit Offer in respect of all or part of their holdings of Offer Shares. Each Shareholder who accepts the Exit Offer will receive S\$8.00 for every 1,000 Offer Shares tendered for acceptance under the Exit Offer.

The Exit Offer is **not** conditional upon a minimum number of acceptances being received.

Further details on the Exit Offer will be set out in an exit offer letter ("**Exit Offer Letter**") to be issued by the Offeror to the Shareholders containing, *inter alia*, the terms of the Exit Offer and the relevant acceptance forms.

3.4 Warranty

Acceptance of an Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that accepting Shareholder that each Offer Share in respect of which the Exit Offer is accepted is sold by him as, or on behalf of, the beneficial owner(s) thereof, fully paid and free from all Encumbrances, and together with all rights, benefits and entitlements attached thereto 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, paid or made by the Company on or after the Joint Announcement Date).

3.5 Duration

The Exit Offer will remain open for acceptance by Shareholders for a period of at least 28 days after the day of despatch of the Exit Offer Letter to Shareholders by the Offeror. Although no extension of the Exit Offer is currently contemplated by the Offeror, if the Exit Offer is extended, an announcement will be made of such extension, and the Exit Offer will remain open for acceptance for such period as may be announced by the Offeror. If the Exit Offer is extended, Shareholders who have validly accepted the Exit Offer in respect of part of their Shares will be entitled to tender additional Offer Shares in acceptance of the Exit Offer.

3.6 Conditions

There are no conditions attached to the Exit Offer.

4. **LISTING MANUAL PROVISIONS PERTAINING TO DELISTING AND EXIT OFFER**

Under Rule 1306 of the Listing Manual, if the SGX-ST exercises its power to remove the Company from the Official List of the SGX-ST (pursuant to Rule 1315 of the Listing Manual as the Company was not able to meet the requirements of Rule 1314 of the Listing Manual for its removal from the SGX-ST watch-list), the Company or its controlling shareholder(s) must comply with the requirements of Rule 1309 of the Listing Manual. As stated in paragraph 1 above, the Company received the Notification of Delisting by SGX-ST on 3 March 2015.

For the purposes of Rule 1309 of the Listing Manual, if the Company is seeking to delist from the SGX-ST:

- (a) a reasonable exit alternative, which should normally be in cash, should be offered to all Shareholders, and
- (b) the Company should normally appoint an IFA (as defined below) to advise on the Exit Offer.

5. **RULINGS FROM THE SECURITIES INDUSTRY COUNCIL**

5.1 SIC Application

An application was made by the Offeror to the Securities Industry Council ("**SIC**") to seek clarification regarding the extent to which the provisions of the Singapore Code on Take-overs and Mergers ("**Code**") applied to the Exit Offer.

5.2 Rulings of the SIC

The SIC ruled on 27 April 2015, *inter alia*, that:

- (a) the Exit Offer is exempted from the following provisions of the Code:
 - (i) Rule 20.1 on keeping the Exit Offer open for 14 days after it is revised;
 - (ii) Rule 22 on the offer timetable;
 - (iii) Rule 28 on acceptances; and
 - (iv) Rule 29 on the right of acceptors to withdraw their acceptances,

subject to :-

- (1) disclosure in the Exit Offer Letter of:
 - (A) the consolidated net tangible asset value ("**NTA**") per Share of the group comprising the Company, its subsidiaries and associated companies based on the latest published accounts prior to the date of the Exit Offer Letter; and
 - (B) particulars of all known material changes as of the latest practicable date which may affect the consolidated NTA per Share referred to in paragraph 5.2(a)(1)(A) above or a statement that there are no such known material changes;
 - (2) the Exit Offer being kept open for at least 28 days after the despatch of the Exit Offer Letter; and
- (b) Ms Pu Xiaofang and Mr Pu Qixing (collectively, "**Relevant Directors**") are exempted from the requirement to make a recommendation to the Shareholders on the Exit Offer as the Relevant Directors face irreconcilable conflict of interests in doing so. Nevertheless, the Relevant Directors must still assume responsibility for the accuracy of the facts stated and opinions expressed in documents and advertisements issued by, or on behalf of, the Company to the Shareholders in connection with the Exit Offer.

5.3 Independent Directors

Messrs Yuan Xuanli, Tsang Siu For Thomas, and Tan Woon Hum, being the other Directors of the Company, will be considered independent for the purposes of providing a recommendation on the Exit Offer to the Shareholders.

6. **OFFERER'S INTENTIONS FOR THE COMPANY AND ITS SUBSIDIARIES**

The Offeror has no immediate plans for (a) making material changes to the Company's existing business, (b) re-deploying of the Company's fixed assets, or (c) discontinuing the employment of the employees of the Company and its subsidiaries, other than in the ordinary course of business. Nonetheless, the Offeror retains the flexibility at any time to consider options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.

7. **BENCHMARKING OF THE EXIT OFFER**

7.1 Market Price Comparison

The following table benchmarks the Exit Offer Price against the historical transacted prices of the Shares on the SGX-ST:

Description ⁽³⁾		Share Price (S\$) ⁽¹⁾	Premium/ (Discount) over/ (to) Share Price ⁽²⁾ (%)
(a)	Last transacted price per Share on 2 April 2015 (being the Last Trading Day)	0.011	(27.272)
(b)	VWAP for the one-month period prior to and including the Last Trading Day	0.012	(33.333)

(c)	VWAP for the two-month period prior to and including the Last Trading Day	0.013	(38.462)
(d)	VWAP for the three-month period prior to and including the Last Trading Day	0.013	(38.462)
(e)	VWAP for the six-month period prior to and including the Last Trading Day	0.013	(38.462)

Notes:

- (1) Source: Bloomberg L.P.
- (2) Computed based on the Share prices which were rounded to the nearest three decimal places.
- (3) The volume weighted average price ("VWAP") is calculated based on the daily VWAP turnover divided by VWAP volume of the Shares as extracted from Bloomberg L.P..

7.2 Net Asset Value Comparison

In addition, the Exit Offer Price compared to the net asset value ("NAV") per Share of the Group is as follows:

	Financial Year Ended 31 December 2013 (Audited)	Financial Year Ended 31 December 2014 (Audited)
NAV per Share of the Group	S\$0.048 ⁽¹⁾	S\$0.042 ⁽²⁾
Exit Offer Price / NAV per Share	0.167 times	0.190 times

Notes:

- (1) Based on the NAV of the Group of approximately RMB48,646,000 (which is equivalent to approximately S\$10,147,267.418 based on an exchange rate extracted from Bloomberg L.P. of S\$1: RMB4.794 as at 31 December 2013) and based on 212,412,966 Shares, being the total number of Shares in issue as at 31 December 2013 as extracted from the annual report of the Company for the financial year ended 31 December 2013.
- (2) Based on the NAV of the Group of approximately RMB41,409,000 (which is equivalent to approximately S\$8,836,747.759 based on an exchange rate extracted from Bloomberg L.P. of S\$1: RMB4.686 as at 31 December 2014) and based on 212,412,966 Shares being the total number of Shares in issue as at 31 December 2014, as extracted from the annual report of the Company for the financial year ended 31 December 2014.

8. **COMPULSORY ACQUISITION**

Pursuant to Section 215(1) of the Companies Act (Chapter 50) of Singapore ("**Companies Act**"), in the event that the Offeror acquires 90% or more of the shares of the Company (other than those already held by the Offeror as at the date of the Exit Offer and excluding any shares of the Company held as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Exit Offer at a price equal to the Exit Offer Price.

The Offeror intends to compulsorily acquire all the Shares not tendered in acceptance of the Exit Offer pursuant to section 215(1) of the Companies Act if it is entitled to do so.

In addition, Shareholders who have not accepted the Exit Offer have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares in the

event that the Offeror or its nominees acquire, pursuant to the Exit Offer, such number of Shares which, together with the Shares held by the Offeror comprise 90% or more of the total issued shares of the Company (excluding treasury shares).

Shareholders who have not accepted the Exit Offer and who wish to exercise their rights under Section 215(3) of the Companies Act are advised to seek their own independent legal advice.

9. CONFIRMATION OF FINANCIAL RESOURCES

The Offeror has furnished written confirmation satisfactory to the Company that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer on the basis of the Exit Offer Price.

10. DISCLOSURES

10.1 Company's disclosures

As at the Joint Announcement Date, there are no outstanding instruments convertible into, or rights to subscribe for, or options (whether pursuant to an employee share option scheme or otherwise) in respect of securities which carry voting rights of the Company.

10.2 Offeror's disclosures

As at the Joint Announcement Date, the Offeror owns an aggregate of 117,429,420 Shares, representing approximately 55.28% of the total number of issued Shares as stated in paragraph 2.1 above. The Offeror is a controlling and majority shareholder of the Company, and will be making the Exit Offer solely.

Save as disclosed above, as at the Joint Announcement Date, the Offeror:

- (a) does not own or control, and has not agreed to acquire any Shares, securities which carry voting rights in the Company, or convertible securities, warrants, options and derivatives in respect of such Shares or securities (collectively, "**Relevant Securities**");
- (b) has not received any irrevocable undertaking from any party to accept or reject the Exit Offer;
- (c) has not entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material to the Exit Offer;
- (d) has not:
 - (i) granted a security interest over any Relevant Securities to another person, whether through a charge, pledge or otherwise;
 - (ii) borrowed from another person any Relevant Securities (excluding borrowed securities which have been on-lent or sold); or
 - (iii) lent any Relevant Securities to another person; and
- (e) has not dealt for value in any Shares during the three (3)-month period immediately preceding the Joint Announcement Date.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Joint Announcement Date, the interests of Directors and substantial shareholders in the Company are set out below:

Name of Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Pu Xiaofang ⁽¹⁾	-	-	117,429,420	55.28
Yuan Xuanli	-	-	-	-
Pu Qixing	-	-	-	-
Tsang Siu For Thomas	-	-	-	-
Tan Woon Hum	-	-	-	-

Substantial Shareholders (other than Directors)

Offeror	117,429,420	55.28	-	-
Wang Yufen ⁽¹⁾	-	-	117,429,420	55.28
Phillip Securities Pte Ltd	23,578,324	11.10		

Note:

- (1) Ms Pu Xiaofang, the Executive Chairman and Chief Executive Officer of the Company, together with her mother, Madam Wang Yufen, collectively own approximately 81.3% interest in the Offeror, and accordingly Ms Pu Xiaofang is deemed to be interested in the 117,429,420 Shares held by the Offeror in the Company by virtue of Section 7 of the Companies Act (Cap. 50).

12. INDEPENDENT FINANCIAL ADVISER

The Company has appointed NRA Capital Pte. Ltd. as independent financial adviser ("IFA") to advise the Directors who are considered independent for the purposes of the Proposal and the Exit Offer ("Independent Directors"), on the Exit Offer. The advice of the IFA and the recommendation of the Independent Directors regarding the Exit Offer will be set out in the Exit Offer Letter.

13. OVERSEAS SHAREHOLDERS

This Joint 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 Joint Announcement in any jurisdiction in contravention of applicable law. The Exit Offer will be made solely by the Exit Offer Letter and the relevant acceptance forms accompanying the Exit Offer Letter, which will contain the full terms and conditions of the Exit Offer, including details of how the Exit Offer may be accepted.

The release, publication or distribution of this Joint Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Joint Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Joint Announcement and any formal documentation relating to the Exit Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Exit Offer would violate the applicable law of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. For the avoidance of doubt, the Exit Offer shall be made to all Shareholders including those to whom the Exit Offer Letter and the relevant acceptance forms will not be sent.

The Exit Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Exit Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The ability of the Shareholders who are not resident in Singapore to accept the Exit Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

Any overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.

14. FURTHER INFORMATION

No immediate action is required of Shareholders on their part in respect of the Proposal, Delisting and the Exit Offer.

As mentioned above, the Exit Offer Letter which will include, *inter alia*, further information regarding the Proposal, the Delisting, the terms and conditions of the Exit Offer, the advice of the IFA and the recommendation of the Independent Directors regarding the Exit Offer, will be despatched by or on behalf of the Offeror to Shareholders, together with the relevant forms of acceptance, in due course.

15. RESPONSIBILITY STATEMENTS

15.1 Offeror

The sole director of the Offeror ("**Offeror Director**") has taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement (other than those relating to the Company) are fair and accurate and that there are no other material facts not contained in this Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading. Where any information in this Joint Announcement has been extracted or reproduced from published or publicly available sources or obtained from the Company, the sole responsibility of the Offeror Director 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 Joint Announcement. The Offeror Director accepts responsibility accordingly.

15.2 Company

The Directors of the Company have taken all reasonable care to ensure that the facts stated and opinions expressed herein (other than those relating to the Offeror and the IFA) are fair and accurate and that no material facts have been omitted from this Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading. Where any information in this Joint Announcement has been extracted or reproduced from published or publicly available sources or obtained from the Offeror or the IFA, the sole responsibility of the Directors has been to ensure that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Joint Announcement. The Directors jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD
YONG XIN INTERNATIONAL HOLDINGS LTD

Tsang Siu For Thomas
Lead Independent Director

30 April 2015

BY ORDER OF THE BOARD
BETTER ACE INTERNATIONAL LIMITED

Pu Xiaofang
Director

30 April 2015

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" and similar expressions or future or conditional verbs, such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements 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 described in such forward-looking statements. Shareholders and investors of the Company and/or the Offeror should not place undue reliance on such forward-looking statements, and none of the Company and the Offeror undertakes any obligation to update publicly or revise any forward-looking statements