

ECS HOLDINGS LIMITED
(Incorporated in Singapore with limited liability)
(Company Registration Number: 199804760R)

**VOLUNTARY UNCONDITIONAL CASH OFFER BY UNITED OVERSEAS BANK LIMITED
FOR AND ON BEHALF OF VST HOLDINGS LIMITED FOR ECS HOLDINGS LIMITED**

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of ECS Holdings Limited (the “**Company**”) refers to the announcement dated 14 November 2014 (the “**Offer Announcement**”) issued by United Overseas Bank Limited (“**UOB**”), for and on behalf of VST Holdings Limited (the “**Offeror**”), of the Offeror’s firm intention to make (i) a voluntary unconditional cash offer (the “**Offer**”) for all the issued and paid-up ordinary shares in the capital of the Company (the “**Shares**”), other than those Shares held, directly or indirectly, by the Offeror as at the date of the Offer (the “**Offer Shares**”), and (ii) a proposal to holders of the outstanding Options (as defined herein) granted under the Share Option Scheme (as defined herein) (the “**Options Proposal**”).

2. TERMS OF THE OFFER AND THE OPTIONS PROPOSAL

2.1. Terms of the Offer

- (a) According to the Offer Announcement, the Offer will be made for all the Offer Shares in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (“**Code**”), and subject to the terms and conditions set out in the formal offer document to be issued by UOB, for and on behalf of the Offeror, in relation to the Offer. The Offer price for each Offer Share will be as follows:

For each Offer Share: S\$0.68 in cash (the “Offer Price”).

- (b) The Offer Shares are to be acquired (i) fully paid, (ii) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever, and (iii) together with all rights, benefits and entitlements attached thereto as at the date of the Offer Announcement (the “**Offer Announcement Date**”) and hereafter attaching thereto (including the right to receive and retain all dividends, other distributions and return of capital (if any) which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date). If any dividend, other distribution or return of capital is declared, paid or made by the Company on or

after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital paid or made by the Company to such shareholders of the Company ("**Shareholders**") who accepts or has accepted the Offer.

- (c) The Offer will be extended, on the same terms and conditions, to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any options (each, an "**Option**") to subscribe for new Shares granted under the ECS Share Option Scheme II which was approved by Shareholders on 13 December 2000 (the "**Share Option Scheme**"), prior to the close of the Offer. For the purpose of the Offer, the expression "**Offer Shares**" shall include the aforesaid Shares.
- (d) **The Offer will be unconditional in all respects.**

2.2. Terms of the Options Proposal

- (a) As at the Offer Announcement Date, there are outstanding Options granted under the Share Option Scheme. Under the rules of the Share Option Scheme, the Options are not transferable by the holders thereof ("**Optionholders**"). In view of this restriction, UOB, on behalf of the Offeror, will not make an offer to acquire the Options (although for the avoidance of doubt, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of Options prior to the close of the Offer).
- (b) Instead, UOB will, on behalf of the Offeror, make the Options Proposal to Optionholders, on the terms that, subject to the relevant Options continuing to be exercisable into new Shares, the Offeror will pay to such Optionholders a cash amount (determined as provided below) (the "**Option Price**") in consideration of such Optionholders agreeing:
 - (i) not to exercise any of such Options into new Shares; and
 - (ii) not to exercise any of their rights as Optionholders,

in each case from the date of their acceptance of the Options Proposal to the respective dates of expiry of such Options. Optionholders who have accepted the Options Proposal will also be required to surrender all their Options for cancellation. If the Offer is withdrawn or if the relevant Options cease to be exercisable into new Shares, the Options Proposal will lapse accordingly.

- (c) The Option Price is computed on a "see-through" basis. In other words, the Option Price in relation to any Option is the amount by which the Offer Price is in excess over the exercise price of that Option.

- 2.3. **For the avoidance of doubt, the Offer and Options Proposal are separate and are mutually exclusive.** The Options Proposal does not form part of the Offer, and vice versa. Without prejudice to the foregoing, if the Optionholders exercise their Options in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise, they may not accept the Options Proposal in respect of such Options. Conversely, if Optionholders wish to accept the Options Proposal in respect of their Options, they may not exercise those Options in order to accept the Offer in respect of the new Shares to be issued pursuant to such exercise.
- 2.4. The principal terms of the Offer and the Options Proposal are set out in the Offer Announcement. A copy of the Offer Announcement is attached to this announcement for the attention of the Shareholders and is also available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com. **Shareholders are urged to read the Offer Announcement in full.**
- 2.5. According to the Offer Announcement, the offer document setting out the terms and conditions of the Offer and enclosing the relevant form(s) of acceptance ("**Offer Document**") will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the Offer Announcement Date. Details of the Options Proposal will be despatched to the Optionholders no later than the date of despatch of the Offer Document.

3. IRREVOCABLE UNDERTAKINGS

- 3.1. As at the Offer Announcement Date, the Offeror has received irrevocable undertakings ("**Undertakings**") from each of Mr Tay Eng Hoe, Mr Narong Intanate and Mr Tan Teck Thye (collectively, the "**Undertaking Shareholders**") to, *inter alia*:
- (a) accept or procure the acceptance of the Offer in respect of (i) the Offer Shares held by him and (ii) any Offer Shares which he may directly or indirectly acquire on or after the date of his Undertaking; and
 - (b) if applicable, during the period commencing on the date of his Undertaking and ending on the date on which his Undertaking lapses, abstain from (i) exercising all or any of the options issued or granted to him by the Company after the date of his Undertaking (the "**Relevant Options**") into new Shares or (ii) exercising any of his rights as a holder of the Relevant Options (other than to accept any options proposal made by the Offeror in connection with the Offer).
- 3.2. As at the Offer Announcement Date, the Undertaking Shareholders hold, in aggregate, (i) 1,412,000 Shares comprising 0.382% of the total number of issued Shares, and (ii) 1,000,000 Options.
- 3.3. The Undertakings will terminate, lapse and cease to have any effect on the date the Offer is withdrawn.

4. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR

Rule 7.1 of the Code requires the Board to obtain competent independent advice on the Offer and that the substance of such advice be made known to the Shareholders. The Board will appoint an independent financial adviser to advise the Directors of the Company who are considered independent for the purposes of the Offer under the Code (the **“Independent Directors”**). A circular (the **“Offeree Circular”**) containing the advice of the independent financial adviser and the recommendation of the Independent Directors will be sent to Shareholders within 14 days from the date of the despatch of the Offer Document to be issued by the Offeror.

5. CAUTION IN TRADING

Shareholders are advised to exercise caution when dealing in their Shares and refrain from taking any action, whether in connection with the Offer or otherwise in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Directors as well as the advice of the independent financial adviser to the Independent Directors as set out in the Offeree Circular.

6. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and the Directors jointly and severally accept full responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, 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 announcement.

BY ORDER OF THE BOARD

Koh Soo Keong
Lead Independent Director

14 November 2014