

**VOLUNTARY CONDITIONAL CASH OFFER FOR THE COMPANY –
LOSS OF FREE FLOAT**

1. INTRODUCTION

The board of directors (the "**Board**") of Dynamic Colours Limited (the "**Company**") refers to:

- (a) the announcement dated 1 June 2020 made by United Overseas Bank Limited, for and on behalf of Dynamic Technology Pte. Ltd. (the "**Offeror**"), in relation to a voluntary conditional cash offer (the "**Offer**") in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**") for all the issued and paid-up ordinary shares (the "**Shares**") in the share capital of the Company, other than those Shares held, directly or indirectly, by the Offeror as at the date of the Offer (the "**Offer Announcement**");
- (b) the announcement dated 15 June 2020 made by UOB, for and behalf of the Offeror, in relation to the despatch of Offer Document; and
- (c) the announcement dated 22 June 2020 (the "**Announcement Date**") made by United Overseas Bank Limited, for and on behalf of the Offeror, in relation to, *inter alia*, the Offer being declared unconditional in all respects on the Announcement Date and the level of acceptances of the Offer as at the Announcement Date (the "**Level of Acceptances Announcement**"),

(collectively referred to as the "**Announcements**").

All capitalised terms not defined herein shall have the meanings ascribed to them in the Announcements.

2. LOSS OF FREE FLOAT

- 2.1 As stated in the Level of Acceptances Announcement, as at 5.00p.m. (Singapore time) on the Announcement Date, the total number of (a) Shares owned or agreed to be acquired by the Offeror and the Offeror's Concert Parties, and (b) Shares in respect of which valid acceptances of the Offer have been received, amount to an aggregate of 197,197,130 Shares, representing approximately 93.92% of the total number of issued Shares of the Company.
- 2.2 Under Rule 723 of the Listing Manual, the Company must ensure that at least 10% of the total number of issued Shares (excluding treasury shares) is at all times held in public hands. Under Rule 1303(1) of the Listing Manual, as the Offeror has received sufficient acceptances of the Offer which would result in the Offeror holding more than 90% of the total number of issued Shares (excluding treasury shares), **the SGX-ST will suspend trading of the Shares on the SGX-ST at the close of the Offer.**

- 2.3 The Level of Acceptances Announcement states that as at the Announcement Date, and, as stated in the Offer Document, **the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and that, accordingly, the Offeror is entitled to, and will in due course, exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act to compulsorily acquire all Shares of the Dissenting Shareholders on the same terms as those offered under the Offer.**

3. EXTENSION OF CLOSING DATE AND FINAL CLOSING DATE

As set out in the Level of Acceptances Announcement, and in accordance with Rule 22.6 of the Code, if the Offer becomes or is declared to be unconditional as to acceptances, the Offer must remain open for acceptance for not less than 14 days after the date on which the Offer would otherwise have closed.

United Overseas Bank Limited has also announced, for and on behalf of the Offeror, that the closing date of the Offer has been extended to 5.30 p.m. (Singapore time) on 27 July 2020 (the "Final Closing Date"), and further that the Offeror does not intend to extend the Offer beyond the Final Closing Date.

4. DIRECTORS' RESPONSIBILITY STATEMENT

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

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement), the sole responsibility of the directors of the Company 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.

The directors of the Company jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD OF DYNAMIC COLOURS LIMITED

Chong Yee Siew Sebastian
Lead Independent Director

23 June 2020