

OFFER DOCUMENT DATED 21 JANUARY 2019

**THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

If you are in any doubt about this Offer (as defined herein) or the action you should take, you should consult your stockbroker, bank manager, solicitor or other professional adviser immediately. KPMG Corporate Finance Pte Ltd ("**KPMG**") is acting for and on behalf of Exeo Global Pte. Ltd. (the "**Offeror**") and does not purport to advise the shareholders ("**Shareholders**") of DeClout Limited (the "**Company**"). In preparing its letter to Shareholders on behalf of the Offeror, KPMG has not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any Shareholder.

The contents of this Offer Document have not been reviewed by any regulatory authority in any jurisdiction. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Offer Document, you should obtain independent professional advice.

**The views of the Independent Directors (as defined herein) and the independent financial adviser to the Independent Directors on the Offer will be made available to you by the Company in due course. You may wish to consider their views before taking any action in relation to the Offer.**

If you have sold or transferred all of your issued and paid-up ordinary shares in the capital of the Company (the "**Shares**") which are not deposited with The Central Depository (Pte) Limited ("**CDP**"), you should immediately hand this Offer Document and the accompanying Form of Acceptance and Transfer for Offer Shares ("**FAT**") to the purchaser or the transferee or to the bank, stockbroker or agent through whom you effected the sale or the transfer, for onward transmission to the purchaser or the transferee. If you have sold or transferred all your Shares held through CDP, you need not forward this Offer Document and the accompanying Form of Acceptance and Authorisation for Offer Shares ("**FAA**") to the purchaser or the transferee as arrangements will be made by CDP for a separate Offer Document and FAA to be sent to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Document.

## VOLUNTARY CONDITIONAL CASH OFFER

by



**KPMG CORPORATE FINANCE PTE LTD**

(Company Registration No.: 198500417D)  
(Incorporated in the Republic of Singapore)

for and on behalf of

**EXEO GLOBAL PTE. LTD.**

(Company Registration No.: 201839325W)  
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of

**DECLOUT LIMITED**

(Company Registration No.: 201017764W)  
(Incorporated in the Republic of Singapore)

other than those Shares held, directly or indirectly, by the Offeror as at the date of the Offer

ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER AT **5.30 P.M. (SINGAPORE TIME) ON 18 FEBRUARY 2019**, OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

The procedures for acceptance of the Offer are set out in Appendix VI on pages 35 to 41 of this Offer Document, and in the accompanying FAA and/or FAT.



## What I should know about the Offer

For each Offer Share: **S\$0.13 in cash (the “Offer Price”)**

### 1. Tell me more about the Offer

The offer is a voluntary conditional cash offer (the “**Offer**”) by KPMG Corporate Finance Pte Ltd, for and on behalf of Exeo Global Pte. Ltd. (the “**Offeror**”), for:

- all the Shares, other than those Shares already owned or agreed to be acquired by the Offeror as at the date of the Offer; and
- all new Shares unconditionally issued or to be issued pursuant to:
  - o the valid exercise, prior to the Closing Date, of ESOS Options pursuant to the ESOS; and
  - o the valid vesting and release, prior to the Closing Date, of Awards pursuant to the PSP,

(collectively, the “**Offer Shares**”).

### 2. Tell me more about Exeo Global Pte. Ltd.



### 3. What do I get for my Shares in DeClout Limited?

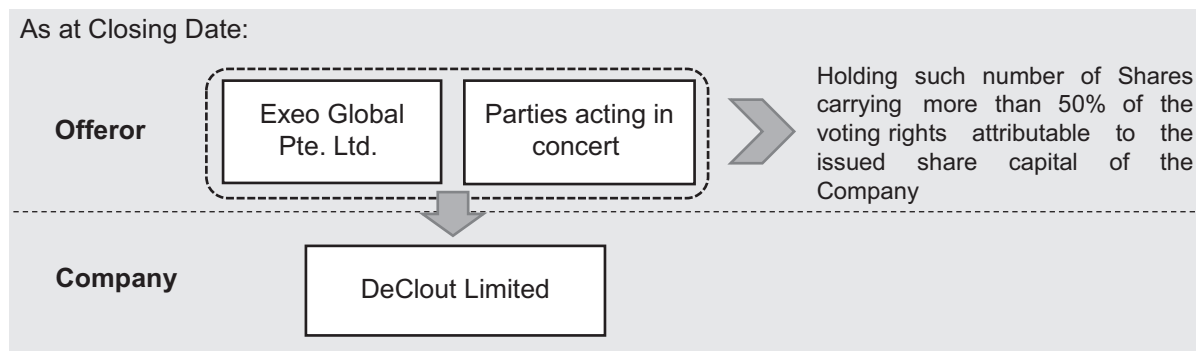
An illustration of the consideration to be received by a Shareholder who accepts the Offer:

10,000 Shares	=	<b>S\$1,300</b> in cash
30,000 Shares	=	<b>S\$3,900</b> in cash
60,000 Shares	=	<b>S\$7,800</b> in cash

*All capitalised terms not defined herein shall bear the same meanings as ascribed to them in the Offer Document.*

#### 4. Are there any conditions to the Offer?

The Offer is conditional upon satisfying the following condition:



Accordingly, the Offer will not become or be capable of being declared to be unconditional as to acceptances unless, at any time prior to the Closing Date, the Offeror has received valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired before or during the Offer and pursuant to the Offer or otherwise, by or on behalf of the Offeror and parties acting in concert with the Offeror, will result in the Offeror and parties acting in concert with the Offeror holding such number of Shares representing more than 50% of the maximum potential issued shares in the Company.

For this purpose, the “**maximum potential issued shares in the Company**” means the total number of Shares which would be in issue (excluding treasury shares) had all the outstanding ESOS Options been validly exercised and on the basis that there are no outstanding Awards as at the date of such declaration.

Please refer to **paragraph 2.3** of the Offer Document for further details.

#### 5. What is the rationale for the Offer?

- The Offeror’s intention is to acquire the entire share capital of the Company and to delist and privatise the Company in order to:
  - o Have greater management flexibility;
  - o Drive future growth in the Company; and
  - o Save on the compliance costs of maintaining listing;
- The proposed transaction is in line with Kyowa Exeo’s acquisition strategy; and
- The Offer Price is at an attractive premium to the traded Share prices of the Company at different time periods over the 12 months prior to the Last Trading Day.

Please refer to **paragraph 5** of the Offer Document for further details.

*All capitalised terms not defined herein shall bear the same meanings as ascribed to them in the Offer Document.*

**6. What is the level of irrevocable undertakings as at 14 January 2019, the latest practicable date prior to the printing of this Offer Document (the “Latest Practicable Date”)?**

As at the Latest Practicable Date, the number of Shares to be tendered in acceptance of the Offer pursuant to the Irrevocable Undertakings amounts to an aggregate of 335,248,267 Shares, representing approximately 50.34% of the total number of issued Shares (which, for the avoidance of doubt, excludes any issued and paid-up ordinary shares held by the Company as treasury shares) or approximately 50.13% of the maximum potential issued shares in the Company.

Please refer to **paragraph 6** of the Offer Document for further details.

**7. Is there any arrangement with management of the Company made in connection with the Offer?**

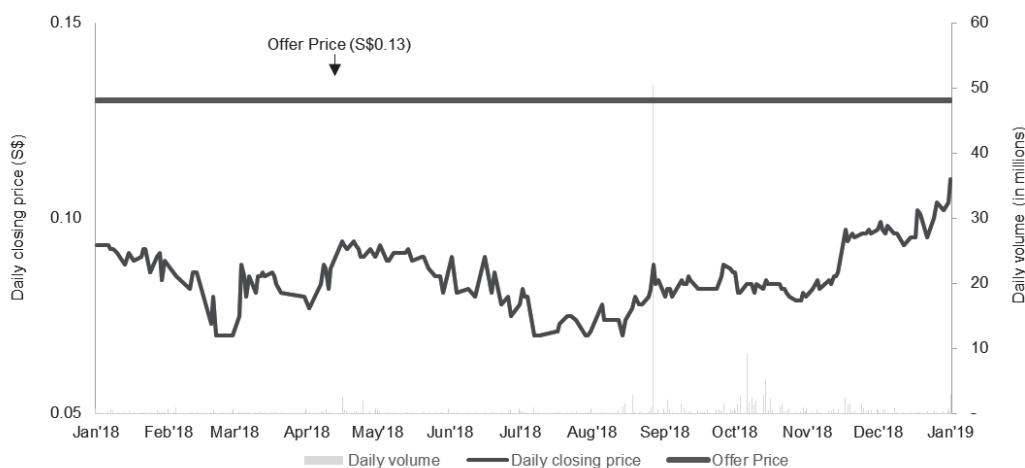
As the Offeror intends and desires that there be continuity of management and minimal interruption of the business of the Company and its subsidiaries, the Offeror has entered into a management incentive plan with Mise En Plas Private Limited, a company incorporated by management personnel of the Company (the “**Management Arrangements**”).

The SIC has confirmed that the Management Arrangements do not constitute prohibited special deals for the purposes of Rule 10 of the Singapore Code on Take-overs and Mergers (the “**Code**”), subject to the independent financial adviser to the Company publicly stating its opinion that the terms of the Management Arrangements are fair and reasonable so far as Shareholders are concerned in the context of Rule 10 of the Code.

Please refer to **paragraph 7** of the Offer Document for further details.

**8. How does the Offer Price compare to historical closing prices?**

The Offer Price is at a premium ranging from 18.18% to 85.71% to the daily closing prices of the Shares on the SGX-ST over the 12 months prior to the Last Trading Day as illustrated below.

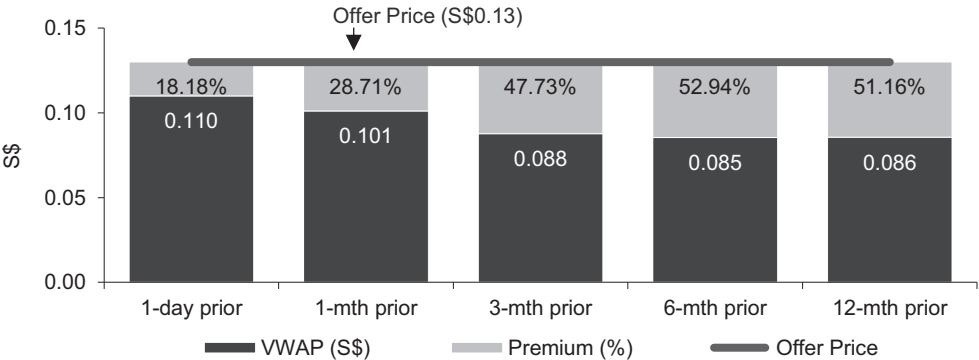


Source: Bloomberg L.P.

**All capitalised terms not defined herein shall bear the same meanings as ascribed to them in the Offer Document.**

**9. How does the Offer Price compare to historical volume weighted average prices (the “VWAP”)?**

The Offer Price represents the following premia over the historical traded prices of the Shares.<sup>(1)</sup>



**Note:**

(1) Source: Bloomberg L.P.

**10. What are the Offeror’s intentions?**

The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to maintain the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Shares (excluding any Shares held in treasury) are held in public hands.

In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1308 of the Catalist Rules.

Please refer to **paragraph 9.3** of the Offer Document for further details.

*All capitalised terms not defined herein shall bear the same meanings as ascribed to them in the Offer Document.*

## 11. What is the Offeror's shareholding in the Company as at the Latest Practicable Date?

As at the Latest Practicable Date, based on the latest information available to the Offeror, save for the Irrevocable Undertakings and as disclosed below, none of the Offeror, its directors or any of the parties acting or deemed to be acting in concert with the Offeror is interested in, owns, controls or has agreed to acquire any Company Securities:

Name	Number of Shares	Percentage of the total number of issued Shares <sup>(1)</sup>	Percentage based on maximum potential issued shares <sup>(2)</sup>
Exeo Global Pte. Ltd.	70,350,400	10.56%	10.52%

### Notes:

- (1) Based on the Company's issued capital of 666,001,586 Shares (excluding 5,267,388 treasury shares) as at the Latest Practicable Date. Percentages are rounded to the nearest two (2) decimal places.
- (2) Based on the maximum potential issued shares in the Company of 668,792,283 Shares as at the Latest Practicable Date (assuming all the outstanding Options had been validly exercised and on the basis that there are no outstanding Awards). Percentages are rounded to the nearest two (2) decimal places.

## 12. What were the Offeror's dealings in the Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date?

Based on the latest information available to the Offeror, save as disclosed below, none of the Offeror, its directors, or any of the parties acting or deemed to be acting in concert with the Offeror has dealt for value in the Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date:

Name	Date of transaction	Number of Shares acquired	Transacted price per Share
Exeo Global Pte. Ltd.	8 January 2019	62,861,200	S\$0.13
Exeo Global Pte. Ltd.	9 January 2019	2,993,600	S\$0.13
Exeo Global Pte. Ltd.	10 January 2019	948,400	S\$0.13
Exeo Global Pte. Ltd.	11 January 2019	884,900	S\$0.13
Exeo Global Pte. Ltd.	14 January 2019	2,662,300	S\$0.13

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## How I can accept the Offer

### STEP 1

Locate the relevant Acceptance Form(s)

If you are a Shareholder:	If you are an SRS Investor:
<ul style="list-style-type: none"> <li>• Look for the relevant Acceptance Form(s) in this package and proceed to Step 2 below                             <ul style="list-style-type: none"> <li>o FAA: For the use of depositors whose Securities Accounts are and/or will be credited with Shares</li> <li>o FAT: For the use of Shareholders who hold Shares which are not deposited with the CDP</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Contact your respective SRS Agent Bank</li> </ul>

### If you have misplaced the Acceptance Form(s):

- Electronic copies are available from the website of the SGX-ST at [www.sgx.com](http://www.sgx.com)
- Click on the “Company Information” tab -> “Company Announcements”. Select “DECLOUT LIMITED”. The Acceptance Form(s) are appended to the announcement dated 21 January 2019 relating to the despatch of the Offer Document
- Alternatively, depositors whose Securities Accounts are and/or will be credited with Shares may contact CDP at +65 6535 7511 to obtain the Acceptance Form(s)

### STEP 2

Fill in your details and return the relevant Acceptance Form(s) to accept the Offer

### FILLING OUT THE FAA

- Check or fill in your personal particulars and Securities Account Number
- Under Part A, fill in the number of Shares in the “Free Balance” of the CDP Securities Account that you wish to tender in acceptance of the Offer

I/We hereby irrevocably authorise CDP to effect the transfer from my/our Securities Account with CDP of the following number of Offer Shares to the Securities Account of the Offeror or the Transferee maintained with CDP:

		Please indicate the number of Offer Shares you wish to tender in acceptance of the Offer
Part A	Number of Offer Shares now standing to the credit of the “Free Balance” of my/our Securities Account in respect of which the Offer is accepted	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <span style="font-size: 24px; font-weight: bold;">1</span> Insert number here                 </div>
NOTE: Please refer to paragraphs 2 and 3 of page 2 of this FAA for instructions on inserting the number of Offer Shares above.		

*All capitalised terms not defined herein shall bear the same meanings as ascribed to them in the Offer Document.*



- Fill in the applicable date and proceed to sign on the bottom right hand corner of the FAA

**2** Please date here

**3** Please sign here

Date \_\_\_\_\_

Signature(s)/Thumbprint(s) of Depositor(s)/Joint Depositors.  
For corporations, please sign as per your signing mandate and where appropriate, the Common Seal to be affixed in accordance with your Constitution or relevant constitutive documents.

- Return the completed FAA

**FILLING OUT THE FAT**

(A) Number of Offer Shares Tended in Acceptance of Offer	(B) Share Certificate No(s).	Consideration	FOR OFFICIAL USE
<b>1</b> Insert number here	<b>2</b> Insert number here	Offer price of S\$0.13 for each Offer Share	
NOTE: Please refer to paragraph 1 on page 2 of this FAT for instructions on inserting the number of Offer Shares above. Last time and date for acceptance of the Offer: 5.30 p.m. (Singapore time) on 18 February 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror (the "Closing Date").			

- Check or fill in your personal particulars
- Under (A), fill in the number of Offer Shares that you wish to tender in acceptance of the Offer
- Under (B), fill in the share certificate number(s) of the relevant share certificate(s) of the Offer Shares you wish to tender in acceptance of the Offer
- For individual Shareholders, fill in the applicable details of the witness and joint Shareholder (if any) and proceed to sign on the right side of the FAT

Signed, sealed and delivered by the above-named Shareholder/first-named joint Shareholder

in the presence of: **3** Witness to sign and insert details here

Witness' Signature: \_\_\_\_\_ )

Name: \_\_\_\_\_ )

NRIC/Passport No: \_\_\_\_\_ )

Address: \_\_\_\_\_ )

Occupation: \_\_\_\_\_ )

**4** Please sign here

\_\_\_\_\_  
Signature of Shareholder/first-named joint Shareholder

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Signed, sealed and delivered by the above-named Shareholder in the presence of:

Witness' Signature: \_\_\_\_\_ )

Name: \_\_\_\_\_ )

NRIC/Passport No: \_\_\_\_\_ )

Address: \_\_\_\_\_ )

Occupation: \_\_\_\_\_ )

**6** Please sign here

\_\_\_\_\_  
Signature of of joint Shareholder, if any

- For corporate Shareholders, proceed to sign on the bottom of the FAT

The common Seal of the above-named Shareholder was hereunto affixed in the presence of: )

**1** Please sign here

**2** Please sign here

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director/Secretary

**All capitalised terms not defined herein shall bear the same meanings as ascribed to them in the Offer Document.**

- Sign and return the completed FAT along with the share certificate(s), other document(s) of title and/or relevant document(s) relating to the Offer Shares that you wish to tender in acceptance of the Offer

Acceptances should be received by the close of the Offer at **5.30 p.m. (Singapore time) on 18 February 2019** (or such later date(s) as may be announced from time to time by and on behalf of the Offeror).

Details of the procedures for the acceptance of the Offer are set out in **Appendix VI** to the Offer Document and in the relevant Acceptance Forms.

#### What are the important dates and times?

<b>Despatch of the Offer Document</b>	21 January 2019
<b>Despatch of the Company's circular containing the views of the Independent Directors (as defined below)</b>	No later than 4 February 2019
<b>Closing date and time</b>	5.30 p.m. (Singapore time) on 18 February 2019 (or such later dates(s) as may be announced from time to time by or on behalf of the Offeror)

#### Who can I contact if I have enquiries in relation to the Offer?

Please contact KPMG Corporate Finance Pte Ltd at +65 6213 2210 during office hours should you have any enquiries about the Offer, or if you need assistance to complete the relevant Acceptance Form(s).

#### Important Notice

The information in this section is a summary of the Offer Document and is qualified by, and should be read in conjunction with, the full information contained in the rest of the Offer Document. In the event of any inconsistency or conflict between the terms of this summary and the Offer Document, the terms set out in the Offer Document shall prevail. Nothing in this section is intended to be, or shall be taken as, advice, recommendation or solicitation to the Shareholders or any other party. KPMG Corporate Finance Pte Ltd is acting for and on behalf of the Offeror and does not purport to advise any Shareholder.

Shareholders are advised to exercise caution when dealing in their Shares and refrain from taking any action in relation to their Shares which may be prejudicial to their interest.

The views of the directors of the Company who are considered to be independent for the purposes of the Offer (the "**Independent Directors**") and the independent financial adviser to the Independent Directors on the Offer will be made available to Shareholders in due course and in any event, the Independent Directors are required under the Code to despatch their views within 14 days of the posting of the Offer Document. Shareholders may wish to consider their advice before taking any action in relation to the Offer.

*All capitalised terms not defined herein shall bear the same meanings as ascribed to them in the Offer Document.*

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## DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Offer Document, the FAA and the FAT:

<i>"2Q2019"</i>	:	The six (6) months ended 30 September 2018
<i>"Acceptance Condition"</i>	:	Shall have the meaning ascribed to it in paragraph 2.3 of this Offer Document
<i>"Awards"</i>	:	Share awards granted under the PSP
<i>"Books Closure Date"</i>	:	Shall have the meaning ascribed to it in paragraph 2.1(a) of this Offer Document
<i>"Catalist Rules"</i>	:	The SGX-ST Listing Manual Section B: Rules of Catalist in force as at the Latest Practicable Date
<i>"CDP"</i>	:	The Central Depository (Pte) Limited
<i>"Closing Date"</i>	:	18 February 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances for the Offer
<i>"Code"</i>	:	The Singapore Code on Take-overs and Mergers
<i>"Companies Act"</i>	:	The Companies Act (Chapter 50 of Singapore)
<i>"Company"</i>	:	DeClout Limited
<i>"Company Securities"</i>	:	(a) Shares; (b) securities which carry voting rights in the Company; or (c) Convertible Securities, Warrants, Options or Derivatives in respect of (a) or (b)
<i>"Convertible Securities"</i>	:	Securities convertible or exchangeable into new Shares or existing Shares
<i>"Date of Receipt"</i>	:	Shall have the meaning ascribed to it in paragraph 1(a)(i)(A) of <b>Appendix VI</b> to this Offer Document
<i>"Derivatives"</i>	:	Includes 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
<i>"Distributions"</i>	:	Shall have the meaning ascribed to it in paragraph 2.1 of this Offer Document
<i>"Electronic Acceptance"</i>	:	Shall have the meaning ascribed to it in paragraph 1(a) of <b>Appendix VI</b> to this Offer Document
<i>"Encumbrances"</i>	:	Shall have the meaning ascribed to it in paragraph 2.1 of this Offer Document

“ESOS”	:	DeClout Employee Share Option Scheme approved and adopted by the Shareholders on 5 October 2012 (as amended from time to time)
“ESOS Options”	:	Options granted under the ESOS
“FAA”	:	Form of Acceptance and Authorisation for Offer Shares which forms part of this Offer Document and which is issued to Shareholders whose Shares are deposited with CDP
“FAT”	:	Form of Acceptance and Transfer for Offer Shares which forms part of this Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
“FY”	:	Financial year ended or ending (as the case may be) 31 March of a particular year as stated
“Group”	:	The Company and its subsidiaries
“Independent Directors”	:	The directors of the Company who are considered to be independent for the purposes of the Offer
“Irrevocable Undertakings”	:	Shall have the meaning ascribed to it in paragraph 6.1 of this Offer Document
“JPY”	:	Japanese Yen, being the lawful currency of Japan
“Kyowa Exeo”	:	Kyowa Exeo Corporation
“Last Trading Day”	:	3 January 2019, being the last Market Day on which the Shares were transacted prior to the Offer Announcement Date
“Latest Practicable Date”	:	14 January 2019, being the latest practicable date prior to the printing of this Offer Document
“Management Arrangements”	:	Shall have the meaning ascribed to it in paragraph 7.1 of this Offer Document
“Management Co”	:	Shall have the meaning ascribed to it in paragraph 7.1 of this Offer Document
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“maximum potential issued shares in the Company”	:	Shall have the meaning ascribed to it in paragraph 2.3 of this Offer Document
“MIP”	:	Shall have the meaning ascribed to it in paragraph 7.1 of this Offer Document

<i>“Offer”</i>	:	The voluntary conditional cash offer by KPMG, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT, as such Offer may be amended, extended and revised from time to time by or on behalf of the Offeror
<i>“Offer Announcement”</i>	:	The announcement issued by KPMG on the Offer Announcement Date, for and on behalf of the Offeror, in relation to the Offer
<i>“Offer Announcement Date”</i>	:	7 January 2019
<i>“Offer Document”</i>	:	This document issued by KPMG, for and on behalf of the Offeror, in respect of the Offer
<i>“Offer Period”</i>	:	The period from the Offer Announcement Date until the date the Offer is declared to have closed or lapsed
<i>“Offer Price”</i>	:	Shall have the meaning ascribed to it in paragraph 2.1 of this Offer Document
<i>“Offer Shares”</i>	:	Shall have the meaning ascribed to it in paragraph 2.2 of this Offer Document
<i>“Offeror”</i>	:	Exeo Global Pte. Ltd.
<i>“Options”</i>	:	Options to subscribe for or purchase new Shares or existing Shares
<i>“Overseas Shareholder”</i>	:	Shall have the meaning ascribed to it in paragraph 10 of this Offer Document
<i>“Procurri”</i>	:	Shall have the meaning ascribed to it in paragraph 4 of <b>Appendix I</b> to this Offer Document
<i>“Procurri Announcement Date”</i>	:	Shall have the meaning ascribed to it in paragraph 4 of <b>Appendix I</b> to this Offer Document
<i>“PSP”</i>	:	DeClout Performance Share Plan approved and adopted by the Shareholders on 5 October 2012 (as amended from time to time)
<i>“Purchaser”</i>	:	Shall have the meaning ascribed to it in paragraph 1(a) of <b>Appendix VI</b> to this Offer Document
<i>“Relevant Day”</i>	:	Shall have the meaning ascribed to it in paragraph 2(a) of <b>Appendix V</b> to this Offer Document
<i>“Relevant Persons”</i>	:	Shall have the meaning ascribed to it in paragraph 3 of <b>Appendix VI</b> to this Offer Document
<i>“Restricted Jurisdiction”</i>	:	Shall have the meaning ascribed to it in paragraph 10 of this Offer Document

“S\$”	:	Singapore dollars, being the lawful currency of Singapore
“Securities Account”	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account
“Settled Shares”	:	Shall have the meaning ascribed to it in paragraph 1(a)(ii) of <b>Appendix VI</b> to this Offer Document
“SFA”	:	The Securities and Futures Act (Chapter 289 of Singapore)
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Tricor Barbinder Share Registration Services, in its capacity as the share registrar of the Company
“Shareholders”	:	Holders of Shares (including persons whose/which Shares are deposited with CDP or who/which have purchased Shares on the SGX-ST)
“Shares”	:	Issued and paid-up ordinary shares in the capital of the Company (excluding issued and paid-up ordinary shares held by the Company as treasury shares but including shares issued and paid-up upon the valid exercise of ESOS Options or the vesting and release of Awards (if any))
“SIC”	:	Securities Industry Council of Singapore
“Singapore time”	:	Eight (8) hours ahead of Greenwich Mean Time
“SRS”	:	Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under the SRS
“SRS Investors”	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
“Undertaking Shareholders”	:	Shall have the meaning ascribed to it in paragraph 6.1 of this Offer Document
“Unsettled Buy Position”	:	Shall have the meaning ascribed to it in paragraph 1(a)(ii) of <b>Appendix VI</b> to this Offer Document
“Unsuccessful Offer”	:	Shall have the meaning ascribed to it in paragraph 3(e) of <b>Appendix V</b> to this Offer Document
“VWAP”	:	Volume weighted average price
“Warrants”	:	Rights to subscribe for or purchase new Shares or existing Shares
“%”	:	Per centum or percentage

**Acting in Concert.** The expression “acting in concert” shall have the meaning ascribed to it in the Code.

**Depositors and Depository Agents.** The terms “depositor” and “depository agent” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

**Gender.** Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

**Headings.** The headings in this Offer Document are inserted for convenience only and shall be ignored in construing this Offer Document.

**Rounding.** Any discrepancies in figures included in this Offer Document between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Document may not be an arithmetic aggregation of the figures that precede them.

**Shareholders.** References to “you”, “your” and “yours” in this Offer Document are, as the context so determines, to Shareholders (including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST).

**Statutes.** Any reference in this Offer Document to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the Catalist Rules, the SFA, the Code or any modification thereof and used in this Offer Document shall, where applicable, have the meaning assigned to it under the Companies Act, the Catalist Rules, the SFA, the Code, or any modification thereof, as the case may be, unless the context otherwise requires.

**Time and Date.** Any reference to a time of the day and date in this Offer Document shall be a reference to Singapore time and date, respectively, unless otherwise stated.

**Total Number of Issued Shares.** Any reference in this Offer Document to the total number of issued Shares is a reference to a total of 666,001,586 Shares (excluding 5,267,388 issued and paid-up ordinary shares held by the Company as treasury shares) as at the Latest Practicable Date (based on the results of the electronic instant information search of the Company dated the Latest Practicable Date obtained from the Accounting and Corporate Regulatory Authority of Singapore).

#### Forward-Looking Statements

*All statements other than statements of historical facts included in this Offer Document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast”, “target” and similar expressions or future or conditional verbs such as “will”, “would”, “shall”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s 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 described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor KPMG undertakes any obligation to update publicly or revise any forward-looking statements.*





**KPMG CORPORATE FINANCE PTE LTD**

(Company Registration No.: 198500417D)  
(Incorporated in the Republic of Singapore)

16 Raffles Quay  
#22-00 Hong Leong Building  
Singapore 048581

21 January 2019

To: The Shareholders of DeClout Limited

Dear Sir/Madam

**VOLUNTARY CONDITIONAL CASH OFFER BY KPMG, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES**

**1. INTRODUCTION**

- 1.1 On 7 January 2019, KPMG announced, for and on behalf of the Offeror, that the Offeror intends to make the Offer for the Offer Shares in accordance with Rule 15 of the Code.

A copy of the Offer Announcement is available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

- 1.2 This Offer Document contains the formal offer by KPMG, for and on behalf of the Offeror, to acquire all the Offer Shares, subject to the terms and conditions set out in this Offer Document. We urge you to read this document carefully and properly consider this Offer.

**2. THE OFFER**

**2.1 Consideration**

<b>For each Offer Share: S\$0.13 in cash (the "<u>Offer Price</u>")</b>
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The Offer Shares will be acquired (a) fully paid, (b) 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 (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, other distributions and return of capital ("**Distributions**") which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Offer Announcement Date.

In the event any Distribution is or has been declared, paid or made by the Company on or after the Offer Announcement Date to a Shareholder who validly accepts or has validly accepted the Offer, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distribution depending on when the settlement date in respect of the Offer Shares tendered in acceptance by Shareholders pursuant to the Offer falls, as follows:

- (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offeror shall pay the relevant accepting Shareholders the unadjusted Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; or
- (b) if such settlement date falls after the Books Closure Date, the Offer Price shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Shares from the Company.

## 2.2 Offer Shares

The Offer is extended, on the same terms and conditions, to:

- (a) all the Shares, other than those Shares held, directly or indirectly, by the Offeror as at the date of the Offer; and
- (b) all new Shares unconditionally issued or to be issued pursuant to:
  - (i) the valid exercise, prior to the Closing Date, of ESOS Options pursuant to the ESOS; and
  - (ii) the valid vesting and release, prior to the Closing Date, of Awards pursuant to the PSP.

For the purposes of the Offer, the expression the “**Offer Shares**” will include all such Shares.

## 2.3 Conditional Offer

The Offer is conditional upon the Offeror having received, by the Closing Date, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued share capital of the Company as at the Closing Date (the “**Acceptance Condition**”).

Accordingly, the Offer will not become or be capable of being declared to be unconditional as to acceptances unless, at any time prior to the Closing Date, the Offeror has received valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired before or during the Offer and pursuant to the Offer or otherwise, by or on behalf of the Offeror and parties acting in concert with the Offeror, will result in the Offeror and parties acting in concert with the Offeror holding such number of Shares representing more than 50% of the maximum potential issued shares in the Company.

For this purpose, the “**maximum potential issued shares in the Company**” means the total number of Shares which would be in issue (excluding treasury shares) had all the outstanding ESOS Options been validly exercised and on the basis that there are no outstanding Awards as at the date of such declaration.

**Save for the Acceptance Condition, the Offer will be unconditional in all other respects.**

#### **2.4 No Options Offer**

As at the Latest Practicable Date, based on the latest information available to the Offeror, there are 2,790,697 outstanding ESOS Options. Under the rules of the ESOS, the ESOS Options are not freely transferable by the holders thereof. In view of this restriction, the Offeror will not make an offer to acquire the ESOS Options in connection with the Offer (although, as stated above, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise, prior to the close of the Offer, of the ESOS Options).

#### **2.5 No Awards Offer**

As at the Latest Practicable Date, based on the latest information available to the Offeror, there are no outstanding Awards and accordingly, the Offeror will not be required to make any offer to acquire any Awards in connection with the Offer.

#### **2.6 Warranty**

Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) fully paid, (b) free from Encumbrances, and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all Distributions which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

#### **2.7 Duration of the Offer**

##### **(a) Closing Date**

Except insofar as the Offer may be withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of this Offer Document.

**Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 18 February 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.**

##### **(b) Offer to Remain Open for 14 Days after being Declared Unconditional as to Acceptances**

Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared to be unconditional as to acceptances, the Offer will remain open for acceptance for not less than 14 days after the date on which it would otherwise have closed, in order to give those Shareholders who have not accepted the Offer the opportunity to do so. This requirement does not apply if, before the Offer becomes or is declared to be

unconditional as to acceptances, the Offeror has given notice in writing to the Shareholders at least 14 days before the specified Closing Date that the Offer will not be open for acceptance beyond that date, provided that such notice may not be given, or if already given, will not be capable of being enforced in a competitive situation. If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with paragraph 2(a) of **Appendix V** to this Offer Document, such period of not less than 14 days during which the Offer shall remain open for acceptance will run from the date of such confirmation, or the date on which the Offer would otherwise have expired, whichever is later.

(c) **Final Day Rule**

Pursuant to Rule 22.9 of the Code, the Offer (whether revised or not) will not be capable of becoming or being declared to be unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60<sup>th</sup> day after the date this Offer Document is initially posted or of being kept open after the expiry of such period, unless it has previously become or been declared to be unconditional as to acceptances, except with the permission of the SIC. The SIC will consider granting such permission in circumstances including but not limited to where a competing offer has been announced.

(d) **Revision**

Pursuant to Rule 20.1 of the Code, the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of posting of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.

(e) **Subsequent Closing Date**

If there is an extension of the Offer, pursuant to Rule 22.4 of the Code, any announcement of an extension of the Offer will state the next closing date or if the Offer is unconditional as to acceptances, a statement may be made that the Offer will remain open until further notice. In the latter case, those Shareholders who have not accepted the Offer will be notified in writing at least 14 days before the Offer is closed.

(f) **No Obligation to Extend Offer**

The Offeror is not obliged to extend the Offer if the Acceptance Condition is not fulfilled by 5.30 p.m. (Singapore time) on the Closing Date(s).

2.8 **Details of the Offer**

**Appendix V** to this Offer Document sets out further details on (a) the settlement of the consideration for the Offer, (b) the requirements relating to the announcement of the level of acceptances of the Offer, and (c) the right of withdrawal of acceptances of the Offer.

2.9 **Procedures for Acceptance**

**Appendix VI** to this Offer Document sets out the procedures for acceptance of the Offer.

### **3. INFORMATION ON THE COMPANY**

3.1 Based on publicly available information, the Company was incorporated under the laws of Singapore on 21 August 2010 and was listed on the Catalist board of the SGX-ST on 24 October 2012. The principal activities of the Company are those of investment holding, strategic management and corporate shared services.

3.2 **Appendix I** to this Offer Document sets out additional information on the Company.

### **4. INFORMATION ON THE OFFEROR AND KYOWA EXEO**

4.1 The Offeror is a private company limited by shares incorporated in Singapore on 20 November 2018. As at the Latest Practicable Date, the Offeror has an issued and paid-up capital of S\$6,000,000, consisting of 6,000,000 ordinary shares. The Offeror is a wholly-owned subsidiary of Kyowa Exeo and serves as a regional head office, administrative office and subsidiary management office of Kyowa Exeo.

The board of directors of the Offeror comprises:

- (a) Mr. Yoshiaki Matsuzaka;
- (b) Mr. Yasuo Otsubo;
- (c) Mr. Yuichi Koyama;
- (d) Mr. Fumitoshi Imaizumi; and
- (e) Mr. Tan Seow Leng.

**Appendix II** to this Offer Document sets out certain additional information on the Offeror.

4.2 Kyowa Exeo is a leading Japanese conglomerate in the construction and supply of telecommunications infrastructure, electrical, civil and environmental engineering services, systems solutions and integration services.

**Appendix III** to this Offer Document sets out certain additional information on Kyowa Exeo.

### **5. RATIONALE FOR THE OFFER**

#### **5.1 Greater Management Flexibility**

The Offeror is making the Offer with a view to delisting the Company from the SGX-ST and exercising any rights of compulsory acquisition that may arise under Section 215(1) of the Companies Act. The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company, optimise the use of its management and capital resources and facilitate the implementation of any operational change.

#### **5.2 Kyowa Exeo's Ability to Drive Future Growth in the Company**

Following completion of the acquisition and delisting of the Company from the SGX-ST, Kyowa Exeo intends to leverage its scale, capability and know-how to improve the Company's performance. Additionally, Kyowa Exeo, through the Offeror which is its wholly-owned subsidiary, intends to contribute additional capital for the purposes of making additional investments in the Company in order to enable future growth.

**5.3 Compliance Costs of Maintaining Listing**

In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the 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.

**5.4 The Proposed Transaction is in Line with Kyowa Exeo’s Acquisition Strategy**

Kyowa Exeo is a leading provider of telecommunication infrastructure services and systems solutions in Japan. The acquisition of the Company is in line with Kyowa Exeo’s regional growth strategy, and will provide Kyowa Exeo with a strong platform for expansion in the urban infrastructure and systems solutions industries throughout Southeast Asia.

As such, given that the Company is a leading provider of information technology infrastructure and cloud services in Singapore, the acquisition of the Company is in line with Kyowa Exeo’s aforesaid regional growth strategy. The Company will provide Kyowa Exeo with a strong platform to enter the Singapore market, a business hub in Asia.

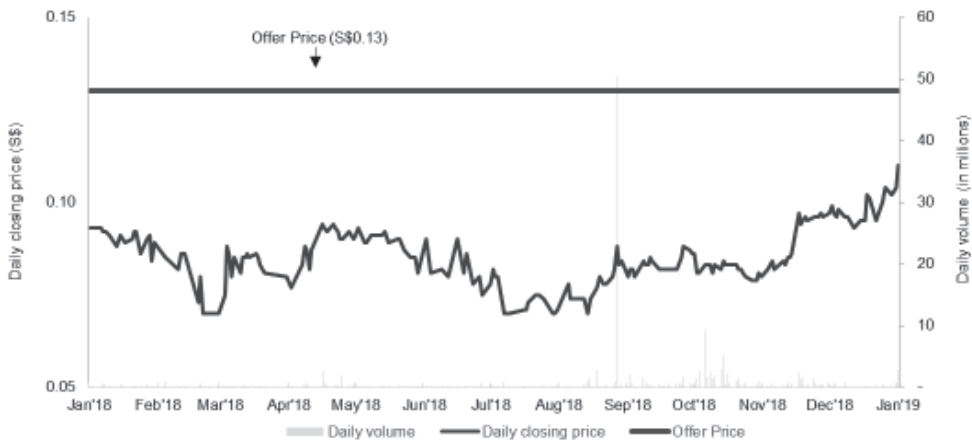
Further, with the acquisition of the Company, Kyowa Exeo would be better able to achieve long-term stable growth through a more diversified portfolio of information and communication technologies (ICT) businesses.

**5.5 Offer Price at a Premium to Traded Prices at Different Time Periods over the 12 Months Prior to the Last Trading Day**

The Offer Price represents a premium of approximately 18.18% over the last transacted price per Share of S\$0.110 on 3 January 2019, being the Last Trading Day.

When compared to the benchmark prices of the Shares up to and including the Last Trading Day, the Offer Price also represents a premium of approximately 28.71%, 47.73%, 52.94% and 51.16% over the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and 12-month periods, respectively.

Further, the Offer Price is at a premium ranging from 18.18% to 85.71% to the daily closing prices of the Shares on the SGX-ST over the 12 months prior to the Last Trading Day as illustrated below:



Source: Bloomberg L.P.

We note that the Shares were last transacted above the Offer Price of S\$0.13 on 12 July 2017. The Company has also not declared any dividends since its listing on SGX-ST.

The Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

## 6. IRREVOCABLE UNDERTAKINGS

- 6.1 As at the Latest Practicable Date, certain Shareholders (the “**Undertaking Shareholders**”) have provided irrevocable undertakings (the “**Irrevocable Undertakings**”) to the Offeror to, *inter alia*, accept the Offer in respect of an aggregate of 335,248,267 Shares, representing approximately 50.34% of the total number of issued Shares (which, for the avoidance of doubt, excludes any issued and paid-up ordinary shares held by the Company as treasury shares) or approximately 50.13% of the maximum potential issued shares in the Company.

Details of the Undertaking Shareholders and the number of Shares to be tendered in acceptance of the Offer by each Undertaking Shareholder pursuant to their respective Irrevocable Undertakings are as follows:

<b>Undertaking Shareholder</b>	<b>Number of Shares to be tendered in acceptance of the Offer</b>	<b>Percentage of the total number of issued Shares<sup>(1)</sup></b>	<b>Percentage based on maximum potential issued shares<sup>(2)</sup></b>
Poh Boon Kher Melvin	81,825,400	12.29%	12.23%
3rd Space Pte Ltd <sup>(3)</sup>	53,044,570	7.96%	7.93%
Wong Kok Khun <sup>(3)</sup>	29,077,000	4.37%	4.35% <sup>(4)</sup>
Ng Chuen Guan	22,185,000	3.33%	3.32%
Chua Hock Choon	21,951,600	3.30%	3.28%
Chua Chye Lee	21,195,100	3.18%	3.17%
Toe Teow Heng	20,290,700	3.05%	3.03%
Kow Ya	18,067,100	2.71%	2.70% <sup>(4)</sup>
Oan Chim Seng	16,306,300	2.45%	2.44%
Woo Kok Sin	16,153,900	2.43%	2.42%
Leow Chin Bee	11,140,000	1.67%	1.67%
Koh Su San	8,962,500	1.35%	1.34%
Johan Djaja	6,566,700	0.99%	0.98%
Lim Swee Yong	3,709,000	0.56%	0.55%
Cheryl Tan Choo Huang	2,641,700	0.40%	0.39%
Tay Koong Phong	1,359,822	0.20%	0.20%
Chan Allen	771,875	0.12%	0.12%
<b>Total</b>	<b>335,248,267</b>	<b>50.34%</b>	<b>50.13%</b>

**Notes:**

- (1) Based on the Company's issued capital of 666,001,586 Shares (excluding 5,267,388 treasury shares) as at the Latest Practicable Date. Percentages are rounded to the nearest two (2) decimal places.
- (2) Based on the maximum potential issued shares in the Company of 668,792,283 Shares as at the Latest Practicable Date (assuming all the outstanding Options had been validly exercised and on the basis that there are no outstanding Awards). Percentages are rounded to the nearest two (2) decimal places.
- (3) 3rd Space Pte Ltd is wholly-owned by Wong Kok Khun. Wong Kok Khun is deemed to have an interest in the Shares held by 3rd Space Pte Ltd by virtue of Section 7 of the Companies Act.
- (4) Excludes the 2,232,558 ESOS Options held by Wong Kok Khun and the 558,139 ESOS Options held by Kow Ya, on the basis of his/her undertaking that such ESOS Options will be surrendered for cancellation under each of their respective Irrevocable Undertakings.

- 6.2 Each Irrevocable Undertaking will terminate or lapse if the Offer is withdrawn or lapses, or fails to become or be declared to be unconditional in all respects for whatever reason, other than as a result of a breach by any of the Undertaking Shareholders of any of his or her obligations under the relevant Irrevocable Undertaking.
- 6.3 Save for the Irrevocable Undertakings, as at the Latest Practicable Date, neither the Offeror nor any party acting in concert with the Offeror has received any irrevocable undertaking from any other party to accept or reject the Offer.
- 6.4 As at the Latest Practicable Date, the number of Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it, together with the total number of Shares to which the Irrevocable Undertakings relate, is an aggregate of 405,598,667 Shares, representing approximately 60.90% of the total number of Shares (which, for the avoidance of doubt, excludes any issued and paid-up ordinary shares held by the Company as treasury shares) or approximately 60.65% of the maximum potential issued shares in the Company.

## **7. MANAGEMENT ARRANGEMENTS**

- 7.1 As the Offeror intends and desires that there be continuity of management and minimal interruption of the business of the Group, the Offeror has entered into a management incentive plan (the "**MIP**") with Mise En Plas Private Limited ("**Management Co**"), a company incorporated by management personnel of the Company, pursuant to which the following arrangements (the "**Management Arrangements**") will come into effect upon the Offer turning unconditional:
  - (a) Management Co will receive (i) a fixed retention incentive sum of up to S\$3,000,000 over a three (3)-year period provided certain management personnel remain as employees of the Group and (ii) bonus payout of up to S\$19,000,000 contingent upon the achievement of certain financial performance targets in the financial years ending 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022; and
  - (b) Management Co has provided certain representations, warranties and indemnities in respect of the Group in favour of the Offeror, for which Management Co may incur liability (including a reduction in the payout under the MIP).
- 7.2 The SIC has confirmed that the Management Arrangements do not constitute prohibited special deals for the purposes of Rule 10 of the Code, subject to the independent financial adviser to the Company publicly stating its opinion that the terms of the Management Arrangements are fair and reasonable so far as Shareholders are concerned in the context of Rule 10 of the Code.



## 8. FINANCIAL EVALUATION OF THE OFFER

The Offer Price represents the following premia over the historical traded prices of the Shares:

	<b>Description</b>	<b>Share Price (S\$)<sup>(1)(2)</sup></b>	<b>Premium over Share Price<sup>(3)</sup> (%)<sup>(4)</sup></b>
(a)	Last transacted price per Share on 3 January 2019 (being the Last Trading Day)	0.110	18.18
(b)	VWAP of the Shares traded on the SGX-ST for the one (1)-month period prior to and including the Last Trading Day	0.101	28.71
(c)	VWAP of the Shares traded on the SGX-ST for the three (3)-month period prior to and including the Last Trading Day	0.088	47.73
(d)	VWAP of the Shares traded on the SGX-ST for the six (6)-month period prior to and including the Last Trading Day	0.085	52.94
(e)	VWAP of the Shares traded on the SGX-ST for the 12-month period prior to and including the Last Trading Day	0.086	51.16

**Notes:**

(1) Source: Bloomberg L.P.

(2) The VWAP is calculated based on the daily VWAP turnover divided by VWAP volume of the Shares as extracted from Bloomberg L.P.

(3) Computed based on the Share prices which were rounded to the nearest three (3) decimal places.

(4) Percentages rounded to the nearest two (2) decimal places.

We note that the Share price of the Company has not exceeded the Offer Price since the lifting of trading halt on 8 January 2019.

## 9. LISTING STATUS AND COMPULSORY ACQUISITION

### 9.1 Listing Status

Pursuant to Rule 1104 of the Catalist Rules, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 200 Shareholders who are members of the public. Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Under Rule 724(1) of the Catalist Rules, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as practicable, notify its sponsor of that fact and announce that fact, and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be removed from the Official List.

## 9.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer at a price equal to the Offer Price.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares, the Shareholders who have not accepted the Offer will have a right to require the Offeror to acquire their Shares at the Offer Price. Such Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

## 9.3 Offeror's Intentions

**The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to maintain the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take any step for the public float to be restored and/or for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Shares (excluding any Shares held in treasury) are held in public hands.** In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1308 of the Catalist Rules.

Subject to normal business conditions, the Offeror does not intend to (a) make major changes to the business of the Company or its management team, (b) re-deploy the fixed assets of the Company or (c) discontinue the employment of the employees of the Company and of its subsidiaries, other than in the normal course of business. Nonetheless, the intentions of the Offeror for the Company as set out above involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Offeror, and there is no assurance that the current intentions will be carried into effect. The Offeror further reserves the right and discretion, subsequent to the Offer, to undertake a review of the operations, management and financial position of the Group and evaluate various strategic options. Accordingly, the Offeror retains the flexibility at any time to alter its plans as aforesaid, restructure the management or shareholdings of the Group, or consider any options or opportunities which may present themselves, or which may be required, and which the Offeror may regard to be in the interest of the Group, the Company and/or the Offeror.

## 10. OVERSEAS SHAREHOLDERS

The availability of the Offer to Shareholders whose addresses are outside of Singapore as shown on the register of members of the Company or in the records of CDP (as the case may be) (each, an “**Overseas Shareholder**”) may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions. Overseas Shareholders should also exercise caution in relation to the Offer, as this Offer Document, the FAA and the FAT have not been reviewed by any regulatory authority in any overseas jurisdiction. **Where there are potential restrictions on sending this Offer Document, the FAAs and/or the FATs to any overseas jurisdiction, the Offeror, KPMG and CDP each reserves the right not to send these documents to Shareholders in such overseas jurisdictions. For the avoidance of doubt, the Offer is open to all Shareholders, including those to whom the Offer Document, the FAAs and/or the FATs have not been, or may not be, sent.**

Copies of this Offer Document and any formal documentation relating to the 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 Offer would violate the law of that jurisdiction (a “**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.

The 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 Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

Overseas Shareholders may, nonetheless, obtain copies of this Offer Document, the FAAs and/or the FATs and any related documents, during normal business hours and up to 5.00 p.m. (Singapore time) on the Closing Date, from the Offeror through its receiving agent, CDP (if he is a depositor) at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588, or the Share Registrar (if he is a scripholder), Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898.

Alternatively, an Overseas Shareholder may write to the Offeror through CDP (if he is a depositor) at Robinson Road Post Office, P.O. Box 1984, Singapore 903934, or the Share Registrar (if he is a scripholder) at the address listed above, to request for this Offer Document, the FAA and/or the FAT and any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder’s own risk, up to three (3) Market Days prior to the Closing Date.

It is the responsibility of any Overseas Shareholder who wishes to (a) request for this Offer Document, the FAAs and/or the FATs and/or any related documents, or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including KPMG) shall be fully indemnified and held harmless by such Overseas Shareholder for any

such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf (including KPMG) may be required to pay. In (i) requesting for this Offer Document, the FAAs and/or the FATs and any related documents and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror and KPMG that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. **Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.**

The Offeror and KPMG each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Overseas Shareholders by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement, notice or advertisement.

## **11. CONFIRMATION OF FINANCIAL RESOURCES**

KPMG, as financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares on the basis of the Offer Price.

## **12. RESPONSIBILITY STATEMENT**

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

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, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offer Document.

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

## **13. GENERAL**

### **13.1 Accidental Omission**

Any omission relating to the despatch of this Offer Document, the FAAs and/or the FATs, or any notice, advertisement or announcement required to be given under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made or should be made shall not invalidate the Offer in any way.

### 13.2 **Governing Law and Jurisdiction**

The Offer, this Offer Document, the FAAs and/or the FATs, all acceptances of the Offer, all contracts made pursuant thereto and all actions taken or deemed to be taken in connection with any of the foregoing shall be governed by, and construed in accordance with, the laws of Singapore and all accepting Shareholders agree, by accepting the Offer, to submit to the non-exclusive jurisdiction of the Singapore courts.

### 13.3 **SRS Investors**

SRS Investors should receive further information on how to accept the Offer from their respective SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice. SRS Investors who wish to accept the Offer are to reply to their respective SRS Agent Banks by the deadline stated in the letter from their respective SRS Agent Banks, which may be earlier than the Closing Date. SRS Investors will receive the Offer Price payable in respect of their Offer Shares validly tendered in acceptance of the Offer through appropriate intermediaries in their respective SRS investment accounts.

### 13.4 **No Third Party Rights**

Unless expressly provided otherwise in this Offer Document, the FAAs and/or the FATs, a person who is not a party to any contracts made pursuant to the Offer, this Offer Document, the FAAs and/or the FATs has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce any term of such contracts. Notwithstanding any term contained in this Offer Document, the FAAs and/or the FATs, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

### 13.5 **Valid Acceptances**

The Offeror and KPMG each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated herein or in the FAAs or the FATs, or if made otherwise than in accordance with the provisions herein and in the FAAs and the FATs.

### 13.6 **Independent Advice**

KPMG is acting for and on behalf of the Offeror and does not purport to advise the Shareholders. In preparing its letter to the Shareholders for and on behalf of the Offeror, KPMG has not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any Shareholder.

**The views of the Independent Directors and the independent financial adviser to the Independent Directors on the Offer will be made available to Shareholders in due course and in any event, the Independent Directors are required under the Code to despatch their views within 14 days of the posting of this Offer Document. Shareholders may wish to consider their advice before taking any action in relation to the Offer.**

### 13.7 General Information

**Appendix IV** to this Offer Document sets out additional general information relating to the Offer. Your attention is drawn to all the Appendices which form part of this Offer Document.

Issued by

**KPMG CORPORATE FINANCE PTE LTD**

For and on behalf of

**EXEO GLOBAL PTE. LTD.**

21 January 2019

*Any inquiries relating to the Offer should be directed during office hours to:*

**KPMG Corporate Finance Pte Ltd**

**Deal Advisory**

Tel: +65 6213 2210

## APPENDIX I – ADDITIONAL INFORMATION ON THE COMPANY

### 1. DIRECTORS OF THE COMPANY

Based on publicly available information, the names, addresses and descriptions of the directors of the Company as at the Latest Practicable Date are as follows:

<b>Name</b>	<b>Address</b>	<b>Description</b>
Mr. Wong Kok Khun	29 Tai Seng Avenue #05-01 Natural Cool Lifestyle Hub Singapore 534119	Chairman and Group Chief Executive Officer
Ms. Kow Ya	29 Tai Seng Avenue #05-01 Natural Cool Lifestyle Hub Singapore 534119	Executive Director
Ms. Cheryl Tan Choo Huang	29 Tai Seng Avenue #05-01 Natural Cool Lifestyle Hub Singapore 534119	Executive Director
Mr. Ho Chew Thim	29 Tai Seng Avenue #05-01 Natural Cool Lifestyle Hub Singapore 534119	Lead Independent Director
Mr. Hew Koon Chan	15C Limau Garden Singapore 467938	Independent Director
Mr. Poh Boon Kher, Melvin (Fu Wenke, Melvin)	1 North Bridge Road #03-17 High Street Centre Singapore 179094	Non-Executive Director

### 2. REGISTERED OFFICE OF THE COMPANY

The registered office of the Company is at 29 Tai Seng Avenue, #05-01 Natural Cool Lifestyle Hub, Singapore 534119.

### 3. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, based on publicly available information or information provided by the Company (as the case may be):

- (a) the issued and paid-up share capital of the Company (excluding treasury shares) comprises 666,001,586 Shares;
- (b) the Company holds 5,267,388 treasury shares;
- (c) there are 2,790,697 outstanding ESOS Options granted by the Company under the ESOS; and
- (d) there are no outstanding Awards granted by the Company under the PSP.

There is no restriction in the constitution of the Company on the right to transfer any Shares, which has the effect of requiring the holders of the Offer Shares, before transferring them, to first offer them for purchase to Shareholders or to any other person.

#### **4. MATERIAL CHANGES IN FINANCIAL POSITION OF THE COMPANY**

As at the Latest Practicable Date, save as disclosed in this Offer Document and save for information on the Company which is publicly available (including without limitation, the unaudited consolidated financial statements of the Group for the third quarter and nine (9) months ended 30 September 2018 which was released by the Company on SGXNET on 14 November 2018, the announcement which was released by the Company on SGXNET on 4 January 2019 ("**Procurri Announcement Date**") in relation to the sale of 48 million shares in Procurri Corporation Limited ("**Procurri**"), representing approximately 17.21% of the total issued share capital of Procurri as at the Procurri Announcement Date, and other announcements released by the Company on SGXNET), there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of the Company since 31 December 2017, being the date of the last balance sheet of the Company laid before Shareholders in a general meeting.



## APPENDIX II – ADDITIONAL INFORMATION ON THE OFFEROR

### 1. DIRECTORS OF THE OFFEROR

The names, addresses and descriptions of the directors of the Offeror as at the Latest Practicable Date are as follows:

<b>Name</b>	<b>Address</b>	<b>Description</b>
Mr. Fumitoshi Imaizumi	3-29-20 Shibuya, Shibuya-ku, Tokyo 150-0002, Japan	Managing Director
Mr. Yasuo Otsubo	3-29-20 Shibuya, Shibuya-ku, Tokyo 150-0002, Japan	Director
Mr. Yuichi Koyama	3-29-20 Shibuya, Shibuya-ku, Tokyo 150-0002, Japan	Director
Mr. Yoshiaki Matsuzaka	3-29-20 Shibuya, Shibuya-ku, Tokyo 150-0002, Japan	Director
Mr. Tan Seow Leng	17 Soon Lee Road, Singapore 628080	Director

### 2. REGISTERED OFFICE OF THE OFFEROR

The registered office of the Offeror is at 80 Robinson Road #02-00, Singapore 068898.

### 3. PRINCIPAL ACTIVITIES OF THE OFFEROR

The Offeror serves as a regional head office, administrative office and subsidiary management office of Kyowa Exeo.

### 4. SUMMARY OF FINANCIAL INFORMATION

As the Offeror was recently incorporated on 20 November 2018, no audited financial statements of the Offeror have been prepared since the date of its incorporation. As no audited financial statements of the Offeror have been prepared to date, there are no significant accounting policies to be noted.

### 5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save as a result of the making and financing of the Offer, there have been no known material changes in the financial position of the Offeror since the date of its incorporation.

## APPENDIX III – ADDITIONAL INFORMATION ON KYOWA EXEO

### 1. DIRECTORS OF KYOWA EXEO

The names, addresses and descriptions of the directors of Kyowa Exeo as at the Latest Practicable Date are as follows:

<b>Name</b>	<b>Address</b>	<b>Description</b>
Mr. Fuminori Kozono	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Representative Director and President
Mr. Tetsuya Funabashi	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Representative Director and Vice President
Mr. Tsutomu Ota	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Representative Director and Executive Operating Officer
Mr. Yoshiaki Matsuzaka	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Director and Executive Operating Officer
Mr. Noritsugu Totani	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Director and Executive Operating Officer
Mr. Yasuo Otsubo	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Director and Managing Operating Officer
Mr. Tomohiro Kurosawa	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Director and Managing Operating Officer
Mr. Yuichi Koyama	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Director and Managing Operating Officer
Mr. Yuki Sakuyama	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Director
Ms. Kumiko Kitai	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Independent Director
Mr. Kazuteru Kanazawa	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Independent Director
Mr. Yasushi Kohara	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Independent Director

<b>Name</b>	<b>Address</b>	<b>Description</b>
Mr. Wataru Hashimoto	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Director
Mr. Toshihiko Kumamoto	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Director
Mr. Toshiro Ue	c/o Kyowa Exeo Corporation 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo, Japan	Director

## **2. REGISTERED OFFICE OF KYOWA EXEO**

The registered office of Kyowa Exeo is at 29-20 Shibuya 3-chome, Shibuya-ku, Tokyo 150-0002, Japan.

## **3. PRINCIPAL ACTIVITIES OF KYOWA EXEO**

Kyowa Exeo is a leading Japanese conglomerate in the construction and supply of telecommunications infrastructure, electrical, civil and environmental engineering services, systems solutions and integration services.

## **4. SUMMARY OF FINANCIAL INFORMATION**

A summary of the financial information relating to Kyowa Exeo for FY2016, FY2017, FY2018 and 2Q2019 is set out below. The summary financial information should be read together with the audited consolidated financial statements of Kyowa Exeo as set out in the corporate reports (which are the equivalent of annual reports) of Kyowa Exeo for FY2016, FY2017 and FY2018 (copies of which are available for inspection as set out in paragraph 4 of **Appendix IV** to this Offer Document). In addition, the financial information for 2Q2019 should be read in conjunction with the audited consolidated financial statements of Kyowa Exeo for 2Q2019 (copies of which are available for inspection as set out in paragraph 4 of **Appendix IV** to this Offer Document).

### **Consolidated Income Statements of Kyowa Exeo**

A summary of the consolidated income statements of Kyowa Exeo for FY2016, FY2017, FY2018 and 2Q2019 is set out below:

	Financial year ended 31 March (Audited)			Audited as at
	FY2016 JPY'M	FY2017 JPY'M	FY2018 JPY'M	30 September 2018 JPY'M
Revenue	287,437	298,825	312,669	132,889
Exceptional Items	100	(152)	827	378
Net Profit/(loss) before tax	18,512	20,721	26,448	8,932
Net profit/(loss) after tax	12,222	13,739	18,054	5,795
Minority interests	37	(50)	61	(104)
Net earnings per share (in JPY) <sup>(1)</sup>	125.90	145.24	189.42	62.07
Net dividends per share (in JPY) <sup>(1)(2)</sup>	38.00	46.00	50.00	32.00

**Notes:**

(1) Rounded to the nearest two (2) decimal places.

(2) Net dividends per share declared in respect of each of the FY2016, FY2017 and FY2018. Such information has been extracted from the corporate reports (which are the equivalent of annual reports) of Kyowa Exeo for FY2016, FY2017 and FY2018.

### **Consolidated Balance Sheet of Kyowa Exeo**

The audited consolidated balance sheet of Kyowa Exeo as at 31 March 2018 and the audited consolidated balance sheet of Kyowa Exeo as at 30 September 2018 are summarised below:

	Audited as at 31 March 2018 JPY'M <sup>(1)</sup>	Audited as at 30 September 2018 JPY'M <sup>(1)</sup>
Current assets	156,280	128,815
Non-current assets	107,351	116,402
<b>Total assets</b>	<b>263,632</b>	<b>245,218</b>
Current liabilities	63,161	45,137
Non-current liabilities	24,369	22,209
<b>Total liabilities</b>	<b>87,531</b>	<b>67,347</b>
<b>NET ASSETS</b>	<b>176,101</b>	<b>177,870</b>

	<b>Audited as at 31 March 2018 JPY'M<sup>(1)</sup></b>	<b>Audited as at 30 September 2018 JPY'M<sup>(1)</sup></b>
Share capital	161,682	162,756
Reserves	13,891	14,704
Subscription rights to shares	285	290
Non-controlling interests	242	119
<b>TOTAL EQUITY</b>	<b>176,101</b>	<b>177,870</b>

**Note:**

(1) Rounded to the nearest whole number.

**5. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Kyowa Exeo (in Japanese) are available for inspection as set out in paragraph 4 of **Appendix IV** to this Offer Document. An English translation of the significant accounting policies of Kyowa Exeo is also set out in **Appendix VII** to this Offer Document.

**6. MATERIAL CHANGES IN FINANCIAL POSITION**

As at the Latest Practicable Date, save for any publicly available information on Kyowa Exeo, there have been no known material changes in the financial position of Kyowa Exeo subsequent to 30 September 2018, being the date of its last published audited accounts.

## APPENDIX IV – ADDITIONAL GENERAL INFORMATION

### 1. DISCLOSURE OF INTERESTS

#### 1.1 Holdings in Company Securities

- (a) As at the Latest Practicable Date, based on the latest information available to the Offeror, save for the Irrevocable Undertakings and as disclosed below, none of the Offeror, its directors or any of the parties acting or deemed to be acting in concert with the Offeror is interested in, owns, controls or has agreed to acquire any Company Securities:

Name	Number of Shares	Percentage of the total number of issued Shares <sup>(1)</sup>	Percentage based on maximum potential issued shares <sup>(2)</sup>
Exeo Global Pte. Ltd.	70,350,400	10.56%	10.52%

**Notes:**

- (1) Based on the Company's issued capital of 666,001,586 Shares (excluding 5,267,388 treasury shares) as at the Latest Practicable Date. Percentages are rounded to the nearest two (2) decimal places.
- (2) Based on the maximum potential issued shares in the Company of 668,792,283 Shares as at the Latest Practicable Date (assuming all the outstanding Options had been validly exercised and on the basis that there are no outstanding Awards). Percentages are rounded to the nearest two (2) decimal places.
- (b) As at the Latest Practicable Date, based on the latest information available to the Offeror, save as set out in paragraph 6 of this Offer Document, none of the Undertaking Shareholders owns, controls or has agreed to acquire any Company Securities.

#### 1.2 Dealings in Company Securities

Based on the latest information available to the Offeror, save as disclosed below, none of the Offeror, its directors, or any of the parties acting or deemed to be acting in concert with the Offeror has dealt for value in the Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date:

Name	Date of Transaction	Number of Shares Acquired	Transacted Price per Share
Exeo Global Pte. Ltd.	8 January 2019	62,861,200	S\$0.13
Exeo Global Pte. Ltd.	9 January 2019	2,993,600	S\$0.13
Exeo Global Pte. Ltd.	10 January 2019	948,400	S\$0.13
Exeo Global Pte. Ltd.	11 January 2019	884,900	S\$0.13
Exeo Global Pte. Ltd.	14 January 2019	2,662,300	S\$0.13

### 1.3 Undertakings to accept or reject the Offer

- (a) As at the Latest Practicable Date, save for the Irrevocable Undertakings, no person has given any undertaking to the Offeror or any party acting in concert with it, to accept or reject the Offer.
- (b) Based on the latest information available to the Offeror, save as disclosed below, none of the Undertaking Shareholders has dealt for value in the Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date:

Name	Date of Transaction	Number of Shares Acquired	Number of Shares Sold	Transacted Price per Share <sup>(1)</sup>
Toe Teow Heng	8 October 2018	3,175,600	–	S\$0.084
Johan Djaja	9 October 2018	2,896,700	–	S\$0.085
Toe Teow Heng	9 October 2018	1,354,400	–	S\$0.083
Toe Teow Heng	10 October 2018	1,700,000	–	S\$0.083
Toe Teow Heng	11 October 2018	901,000	–	S\$0.081
Toe Teow Heng	12 October 2018	200,000	–	S\$0.083
Chua Chye Lee	15 October 2018	9,680,000	–	S\$0.093
Chua Hock Choon	15 October 2018	10,000,000	–	S\$0.090
Toe Teow Heng	15 October 2018	2,500	–	S\$0.082
Leow Chin Bee	15 October 2018	10,000,000	–	S\$0.090
Ng Chuen Guan	15 October 2018	2,285,000	–	S\$0.084
Ng Chuen Guan	16 October 2018	3,215,000	–	S\$0.084
Ng Chuen Guan	17 October 2018	380,000	–	S\$0.084
Chua Chye Lee	18 October 2018	932,000	–	S\$0.083
Chua Hock Choon	18 October 2018	1,000,000	–	S\$0.083
Ng Chuen Guan	18 October 2018	2,000,000	–	S\$0.084
Tay Koong Phong	18 October 2018	–	150,000	S\$0.083
Ng Chuen Guan	19 October 2018	260,000	–	S\$0.083
Tay Koong Phong	19 October 2018	–	300,000	S\$0.085
Ng Chuen Guan	22 October 2018	900,000	–	S\$0.083
Ng Chuen Guan	23 October 2018	1,260,000	–	S\$0.083
Toe Teow Heng	23 October 2018	197,500	–	S\$0.082
Chua Hock Choon	26 October 2018	2,893,300	–	S\$0.081
Toe Teow Heng	26 October 2018	200,000	–	S\$0.080
Toe Teow Heng	31 October 2018	346,000	–	S\$0.079
Toe Teow Heng	1 November 2018	59,700	–	S\$0.080
Toe Teow Heng	2 November 2018	91,900	–	S\$0.080
Toe Teow Heng	7 November 2018	40,000	–	S\$0.080
Ng Chuen Guan	3 December 2018	85,000	–	S\$0.097

<b>Name</b>	<b>Date of Transaction</b>	<b>Number of Shares Acquired</b>	<b>Number of Shares Sold</b>	<b>Transacted Price per Share<sup>(1)</sup></b>
Ng Chuen Guan	5 December 2018	328,000	–	S\$0.097
Ng Chuen Guan	6 December 2018	448,100	–	S\$0.096
Ng Chuen Guan	7 December 2018	50,000	–	S\$0.097
Ng Chuen Guan	10 December 2018	400,000	–	S\$0.097
Ng Chuen Guan	11 December 2018	185,000	–	S\$0.096
Ng Chuen Guan	24 December 2018	293,900	–	S\$0.101
Ng Chuen Guan	27 December 2018	190,000	–	S\$0.099
Ng Chuen Guan	28 December 2018	100,000	–	S\$0.101
Ng Chuen Guan	31 December 2018	105,000	–	S\$0.101

**Note:**

(1) Rounded to the nearest three (3) decimal places.

#### **1.4 Arrangements of the kind referred to in Note 7 on Rule 12 of the Code**

As at the Latest Practicable Date, save for the Irrevocable Undertakings and Management Arrangements, neither the Offeror nor any party acting in concert with it has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to the Shares which may be an inducement to deal or refrain from dealing in the Shares.

#### **1.5 No agreement in connection with or dependent on the Offer**

As at the Latest Practicable Date, save for the Irrevocable Undertakings and Management Arrangements, there is no agreement, arrangement or understanding between (a) the Offeror or any party acting in concert with it, and (b) any of the present or recent directors of the Company, or any of the present or recent Shareholders, or any other person that has any connection with or dependence upon the Offer.

#### **1.6 Transfer of Offer Shares**

As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired by the Offeror pursuant to the Offer will be transferred to any other person. The Offeror, however, reserves the right to transfer any of the Shares to any of its related corporations (as defined in the Companies Act) or for the purpose of granting security in favour of financial institutions which have extended or which may extend credit facilities to it from time to time.

#### **1.7 No payment or benefit to directors of the Company**

As at the Latest Practicable Date, save for the Management Arrangements, there is no agreement, arrangement or understanding for payment or other benefit being made or given to any director of the Company or to any director of any corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer.



## 1.8 No security interest over or borrowing/lending of Company Securities

As at the Latest Practicable Date, none of the Offeror or any party acting in concert with it has (a) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise, (b) borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold), or (c) lent any Company Securities to another person.

## 2. GENERAL

### 2.1 Consent

KPMG has given and has not withdrawn its written consent to the issue of this Offer Document with the inclusion herein of its name and letter and all references thereto in the form and context in which they respectively appear.

### 2.2 Costs and Expenses

All costs and expenses of or incidental to the Offer, including the preparation and circulation of this Offer Document, the FAAs and the FATs (other than professional fees and other costs relating to the Offer incurred or to be incurred by the Company) and stamp duty and transfer fees resulting from acceptances of the Offer, will be paid by the Offeror.

## 3. MARKET QUOTATIONS

The closing price of the Shares on the SGX-ST, as reported by Bloomberg L.P., (a) on the Latest Practicable Date was S\$0.130, and (b) on the Last Trading Day was S\$0.110. The last closing prices of the Shares on the SGX-ST on a monthly basis from July 2018 up till December 2018 (being the six (6) calendar months preceding the Offer Announcement Date), as reported by Bloomberg L.P., are set out below:

<u>Date</u>	<u>Last closing price of the month (S\$)</u>
July 2018	0.070
August 2018	0.084
September 2018	0.088
October 2018	0.079
November 2018	0.096
December 2018	0.102

During the period commencing six (6) months preceding the Offer Announcement Date and ending on the Latest Practicable Date (being 7 July 2018 to 14 January 2019 (both dates inclusive)):

- (i) the highest closing price of the Shares on the SGX-ST, as reported by Bloomberg L.P., was S\$0.130, which was last transacted on 14 January 2019; and
- (ii) the lowest closing price of the Shares on the SGX-ST, as reported by Bloomberg L.P., was S\$0.070, which was last transacted on 9 July 2018.

#### **4. DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at the office of Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898 during normal business hours, while the Offer remains open for acceptance:

- (a) the constitution of the Offeror;
- (b) the Offer Announcement;
- (c) the Irrevocable Undertakings referred to in paragraph 6 of this Offer Document;
- (d) the letter of consent from KPMG referred to in paragraph 2.1 of this **Appendix IV**;
- (e) the corporate reports (which are the equivalent of annual reports) of Kyowa Exeo for FY2016, FY2017 and FY2018;
- (f) the quarterly report of Kyowa Exeo for 2Q2019; and
- (g) the accounting policies of Kyowa Exeo in Japanese, the English translation of which is also set out in **Appendix VII** to this Offer Document.

#### **5. MATERIAL CHANGE IN INFORMATION**

Save as disclosed in this Offer Document, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

## APPENDIX V – DETAILS OF THE OFFER

### 1. SETTLEMENT

Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms and the receipt by the Offeror from accepting Shareholders of valid acceptances, complete in all respects and in accordance with the instructions given in this Offer Document, the FAAs, the FATs and/or the terms and conditions for Electronic Acceptance (as the case may be) and in the case of a depositor, the receipt by the Offeror of confirmation satisfactory to it that the relevant number of Offer Shares are standing to the credit of the “Free Balance” of the depositor’s Securities Account at the relevant time(s), remittances in the form of S\$ cheques drawn on a bank in Singapore for the appropriate amounts will be despatched, pursuant to Rule 30 of the Code, to the accepting Shareholder (or, in the case of a Shareholder holding share certificate(s) which is not deposited with CDP, his designated agent (if any)) by ordinary post and at the risk of the accepting Shareholder or in such manner as he may have agreed with CDP for payment of any cash distribution as soon as practicable but in any event:

- (a) in respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects, within seven (7) business days of that date; or
- (b) in respect of acceptances of the Offer which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional in all respects, but before the Offer closes, within seven (7) business days of the date of such receipt.

### 2. ANNOUNCEMENTS

(a) Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore time) on the dealing day (the “**Relevant Day**”) immediately after the day on which the Offer is due to expire, or becomes or is declared to be unconditional as to acceptances, or is revised or extended (if applicable), the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares (as nearly as practicable):

- (i) in respect of which valid acceptances of the Offer have been received;
- (ii) held by the Offeror and any party acting in concert with it before the Offer Period; and
- (iii) acquired or agreed to be acquired by the Offeror and any party acting in concert with it during the Offer Period,

and will specify the percentages of the total number of Shares represented by such numbers.

- (b) Under Note 5 on Rule 28.1 of the Code, purchases made through the SGX-ST by the Offeror and parties acting in concert with it with no pre-agreement or collusion between the parties to such transactions or their agents, may be counted towards satisfying the Acceptance Condition. All other purchases by the Offeror and parties acting in concert with it (i.e. off market purchases) may only be counted when fully completed and settled.
- (c) Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with paragraph 2(a) above, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.

- (d) In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by KPMG or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone or facsimile or through SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.
- (e) In computing the number of Offer Shares represented by acceptances, the Offeror will at the time of making an announcement take into account acceptances which are valid in all respects. Acceptances of the Offer will only be treated as valid for the purposes of the Acceptance Condition if the relevant requirements of Rule 28.1 of the Code are met.

### **3. RIGHT OF WITHDRAWAL**

- (a) Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.
- (b) If the Offer has become or been declared unconditional as to acceptances, but the Offeror fails to comply with any of the requirements of Rule 28.1 of the Code by 3.30 p.m. (Singapore time) on the Relevant Day, then immediately thereafter:
  - (i) any Shareholder holding Offer Shares which are deposited with CDP and accepting the Offer will be entitled to withdraw his acceptance by written notice to Exeo Global Pte. Ltd. c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588; and
  - (ii) any Shareholder holding Offer Shares which are not deposited with CDP and accepting the Offer will be entitled to withdraw his acceptance by written notice to Exeo Global Pte. Ltd. c/o Tricor Barbinder Share Registration Services, 80 Robinson Road, #11-02, Singapore 068898.

Such notice of withdrawal shall be effective only when actually received by the Offeror.

- (c) Subject to Rule 22.9 of the Code, this right of withdrawal may be terminated not less than eight (8) days after the Relevant Day by the Offeror confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code. For the purpose of the 14-day period referred to in Rule 22.6 of the Code (referred to in paragraph 2.7(b) of this Offer Document), such period will run from the date of such confirmation (if given), or the date on which the Offer would otherwise have expired, whichever is later.
- (d) A Shareholder who accepts the Offer will be entitled to withdraw his acceptance after 14 days from the first Closing Date, if the Offer has not by then become unconditional as to acceptances. Such entitlement to withdraw will be exercisable until the Offer becomes or is declared to be unconditional as to acceptances.
- (e) In a competitive situation, if one (1) offer becomes unconditional as to acceptances, then Shareholders who have tendered their acceptances for the competing offer (the "**Unsuccessful Offer**") can, if they wish, immediately withdraw their acceptances for the Unsuccessful Offer.
- (f) A Shareholder who has tendered acceptances under the Offer may withdraw his acceptances within eight (8) days of notification by the Offeror of any revision of the Acceptance Condition.

## APPENDIX VI – PROCEDURES FOR ACCEPTANCE OF THE OFFER

### 1. PROCEDURES FOR ACCEPTANCE OF THE OFFER BY DEPOSITORS WHOSE SECURITIES ACCOUNTS ARE AND/OR WILL BE CREDITED WITH OFFER SHARES

#### (a) Depositors whose Securities Accounts are credited with Offer Shares

If you have Offer Shares standing to the credit of the “Free Balance” your Securities Account, you are entitled to receive this Offer Document together with the FAA. If you wish to accept the Offer, you should complete and sign the accompanying FAA in accordance with the provisions and instructions in this Offer Document and the provisions and instructions printed on the FAA (which provisions and instructions shall be deemed to form part of the terms of the Offer) and submit the duly completed and signed original FAA, **either by hand** to:

**EXEO GLOBAL PTE. LTD.**

c/o The Central Depository (Pte) Limited  
9 North Buona Vista Drive  
#01-19/20  
The Metropolis  
Singapore 138588

or **by post** in the enclosed pre-addressed envelope **at your own risk**, to:

**EXEO GLOBAL PTE. LTD.**

c/o The Central Depository (Pte) Limited  
Robinson Road Post Office  
P.O. Box 1984  
Singapore 903934

**so as in either case to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date.**

If you have sold or transferred all your Offer Shares, you need not forward this Offer Document and/or the FAA to the purchaser or the transferee (the “**Purchaser**”) as arrangements will be made by CDP for a separate Offer Document and FAA to be sent to the Purchaser. Purchasers should note that CDP will, on behalf of the Offeror, send a copy of this Offer Document and the FAA by ordinary post at the Purchasers’ own risk to their respective addresses as they appear in the records of CDP.

If you wish to accept the Offer, you must insert in Part A of the FAA the number of Offer Shares already standing to the credit of the “Free Balance” of your Securities Account in respect of which the Offer is accepted.

If you are a depository agent as defined under Section 81SF of the SFA, you may accept the Offer via the SGX-SFG Service provided by CDP as listed in the Terms and Conditions for User Services for Depository Agents (“**Electronic Acceptance**”). Such Electronic Acceptances must be submitted **not later than 5.30 p.m. (Singapore time) on the Closing Date.** CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Such Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and this Offer Document as if the FAA has been duly completed, signed in its originality and submitted to CDP.

Subject to paragraph 1(b) below:

- (i) (A) if the number of Offer Shares inserted in Part A of the FAA or submitted through Electronic Acceptance exceeds the number of Offer Shares standing to the credit of the "Free Balance" of your Securities Account as at 5.00 p.m. (Singapore time) on the date of receipt of the FAA by CDP (the "**Date of Receipt**") or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the Date of Receipt is on or before the Closing Date); or
- (B) if no such number of Offer Shares is inserted in Part A of the FAA,
- then you are deemed to have accepted the Offer in respect of all the Offer Shares already standing to the credit of the "Free Balance" of your Securities Account as at 5.00 p.m. (Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the Date of Receipt is on or before the Closing Date); and
- (ii) if, at the time of verification by CDP of the FAA on the Date of Receipt, if paragraph 1(a)(i)(A) above applies, and there are outstanding settlement instructions with CDP to receive further Shares into the "Free Balance" of your Securities Account ("**Unsettled Buy Position**"), and the Unsettled Buy Position settles such that the Shares in the Unsettled Buy Position are transferred to the "Free Balance" of your Securities Account at any time during the period the Offer is open, up to 5.30 p.m. on the Closing Date ("**Settled Shares**"), you shall be deemed to have accepted the Offer in respect of the balance number of Shares inserted in Part A of the FAA which have not yet been accepted pursuant to paragraph 1(a)(i)(A) above, or the number of Settled Shares, whichever is less.

**(b) Depositors whose Securities Accounts will be credited with Offer Shares**

If you have purchased Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the "Free Balance" of your Securities Account, you should also receive this Offer Document together with a FAA. If you wish to accept the Offer in respect of such Offer Shares, you should, after the "Free Balance" of your Securities Account has been credited with such number of Offer Shares, complete, sign and submit the duly completed and signed original of the accompanying FAA in accordance with the provisions and instructions in this Offer Document and the provisions and instructions printed on the FAA (which provisions and instructions shall be deemed to form part of the terms of the Offer) and submit the duly completed and signed FAA, **either by hand** to:

**EXEO GLOBAL PTE. LTD.**

c/o The Central Depository (Pte) Limited  
9 North Buona Vista Drive  
#01-19/20  
The Metropolis  
Singapore 138588

or **by post** in the enclosed pre-addressed envelope **at your own risk**, to:

**EXEO GLOBAL PTE. LTD.**

c/o The Central Depository (Pte) Limited  
Robinson Road Post Office  
P.O. Box 1984  
Singapore 903934

**so as in either case to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date.**

If you purchase Offer Shares on the SGX-ST, your acceptance in respect of such Offer Shares will be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by 5.00 p.m. (Singapore time) on the Date of Receipt (if the FAA is received by CDP prior to the Closing Date) or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date), save where you had indicated the number of Offer Shares you wish to tender in acceptance of the Offer in Part A of the FAA and there is an Unsettled Buy Position at the time of verification by CDP of the FAA on the Date of Receipt. If the Unsettled Buy Position does not settle by 5.30 p.m. on the Closing Date, your acceptance in respect of such Shares will be rejected.

**None of the Offeror, KPMG or CDP accepts any responsibility or liability in relation to such rejection, including the consequences thereof.**

**(c) Depositors whose Securities Accounts are and will be credited with Offer Shares**

If you already have Offer Shares standing to the credit of the “Free Balance” of your Securities Account, and if you have also purchased additional Offer Shares on the SGX-ST that are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the “Free Balance” of your Securities Account but in respect of the additional Offer Shares purchased which are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Offer in respect of such additional Offer Shares only **after** the “Free Balance” of your Securities Account has been credited with such number of Offer Shares. The provisions set out above shall apply in the same way to your acceptance(s).

**(d) General**

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares standing to the credit of the “Free Balance” in your Securities Account. You can verify the number of Offer Shares standing to the credit of the “Free Balance” in your Securities Account (i) through CDP Online if you have registered for CDP Internet Access Service or (ii) through CDP Phone Service if you have a T-Pin. Alternatively, you may proceed to CDP in person with your identity card or passport to verify the number of Offer Shares standing to the credit of the “Free Balance” in your Securities Account.

**Blocked Balance**

CDP will, upon receipt on behalf of the Offeror of the duly completed and signed original FAA or Electronic Acceptance, and all other relevant documents (if any), transfer the Offer Shares in respect of which you have accepted the Offer from the “Free Balance” of your Securities Account to the “Blocked Balance” of your Securities Account until the consideration for the Offer Shares has been despatched to you.

**Except as specifically provided for in this Offer Document and the Code, acceptance of the Offer is irrevocable.**

## **Receipt**

No acknowledgement will be given for submissions made by post, deposited at boxes located at CDP's premises or by hardcopies at CDP's counters. All communications, notices, documents and payments will be sent by ordinary post at the risk of the person(s) entitled thereto to the mailing address appearing in the records of CDP. Settlement of the consideration under the Offer will be subject to the receipt of confirmation satisfactory to the Offeror that the Offer Shares to which the FAA relates are credited to the "Free Balance" of your Securities Account and such settlement cannot be made until all relevant documents have been properly completed and lodged with **EXEO GLOBAL PTE. LTD.** c/o The Central Depository (Pte) Limited, **by hand** at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588 or **by post** at your own risk using the enclosed pre-addressed envelope to Robinson Road Post Office, P.O. Box 1984, Singapore 903934.

## **Notification**

In the event that the Offer becomes or is being declared to be unconditional in all respects in accordance with its terms, CDP will send you a notification letter stating the number of Offer Shares debited from the "Free Balance" of your Securities Account together with payment of the Offer Price by way of a S\$ cheque drawn on a bank in Singapore for the appropriate amount, or in such other manner as you may have agreed with CDP for the payment of any cash distributions.

## **Return of Offer Shares**

In the event that the Offer does not become or is not being declared to be unconditional in all respects in accordance with its terms, CDP will return the aggregate number of Offer Shares in respect of which you have accepted the Offer and tendered for acceptance under the Offer to the "Free Balance" of your Securities Account as soon as possible but, in any event, within 14 days from the lapse of the Offer.

## **No Securities Account**

If you do not have any existing Securities Account in your name at the time of acceptance of the Offer, your acceptance as contained in the FAA will be rejected.

If you are a depositor whose Securities Account is or will be credited with Offer Shares but you do not receive this Offer Document and/or the FAA, you may obtain this Offer Document and/or the FAA upon production of satisfactory evidence that you are a Shareholder or have purchased the Offer Shares on the SGX-ST (as the case may be) from The Central Depository (Pte) Limited, at 9 North Buona Vista Drive, #01-19/20, The Metropolis, Singapore 138588.



## **2. PROCEDURES FOR ACCEPTANCE OF THE OFFER BY SHAREHOLDERS WHO HOLD OFFER SHARES WHICH ARE NOT DEPOSITED WITH CDP**

If you hold Offer Shares which are not deposited with CDP, you are entitled to receive this Offer Document together with the FAT. If you wish to accept the Offer, you should complete and sign the FAT (which is available upon request from Exeo Global Pte. Ltd. c/o Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898) in accordance with the provisions and instructions in this Offer Document including the provisions and instructions printed on the FAT (which provisions and instructions shall be deemed to form part of the terms of the Offer) and submit with the relevant share certificate(s) and/or other document(s) of title and/or any other relevant document(s) required by the Offeror **by hand or by post**, at your own risk, to:

### **EXEO GLOBAL PTE. LTD.**

c/o Tricor Barbinder Share Registration Services  
80 Robinson Road, #11-02  
Singapore 068898

**so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date.**

If the number of Offer Shares in respect of acceptances for the Offer as inserted by you in the FAT exceeds the number of Offer Shares represented by the share certificate(s) and/or other document(s) of title accompanying the FAT, or if no such number of Offer Shares is inserted by you, then you shall be deemed to have accepted the Offer in respect of all the Offer Shares as represented by the share certificate(s) and/or other document(s) of title accompanying the FAT.

### **General**

If your Offer Shares are represented by share certificate(s) which are not registered with the Company in your own name, you must send in, at your own risk, the relevant share certificate(s), other document(s) of title and/or other relevant documents required by the Offeror together with a duly completed and signed original FAT accompanied by transfer form(s), duly completed and executed by the person(s) registered with the Company as the holder of the Offer Shares and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or a person authorised by it).

It is your responsibility to ensure that the FAT is properly completed in all respects. The Offeror, KPMG and/or the Share Registrar will be entitled in their sole and absolute discretion to reject any acceptance which does not comply with the provisions and instructions contained herein and in the FAT, or (subject to the preceding paragraph) which is not accompanied by the relevant share certificate(s), other document(s) of title and/or any other relevant document(s) required by the Offeror, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the FAT on the grounds that it has been incompletely, incorrectly or invalidly signed, completed or submitted, unsigned or signed but not in its originality will be final and binding, and none of the Offeror, KPMG or the Share Registrar accepts any responsibility or liability for the consequences of such a decision.

**Except as specifically provided for in this Offer Document and the Code, acceptance of the Offer is irrevocable.**

## **Receipt**

No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) and/or any other relevant document(s) required by the Offeror will be given.

All communications, notices, certificates, documents and remittances will be sent by ordinary post at your sole risk.

## **Notification**

In the event the Offer becomes or is being declared to be unconditional in all respects in accordance with its terms, payment will be sent to you (or your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first named in the register of members of the Company) by ordinary post at your address as it appears in the register of members of the Company at your own risk (or to such different name and address as may be specified by you in the FAT and at your own risk), by way of a S\$ cheque drawn on a bank in Singapore for the appropriate amount.

## **Return of Offer Shares**

In the event that the Offer does not become or is not being declared to be unconditional in all respects in accordance with its terms, the FAT and other documents (including share certificate(s)) will be returned to you at the address stated in the FAT, or if none is stated, to you (or in the case of joint accepting Shareholders, to the first named in the register of members of the Company) at the relevant address set out in the register of members of the Company by ordinary post at your own risk as soon as possible but, in any event, within 14 days from the lapse of the Offer.

If you are a Shareholder who holds Offer Shares which are not deposited with CDP but you do not receive the FAT, you may obtain such a FAT upon production of satisfactory evidence that you are a Shareholder, from Exeo Global Pte. Ltd. c/o Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898.

### **3. OTHER RELEVANT INFORMATION IN RESPECT OF THE PROCEDURES FOR ACCEPTANCE**

#### **Scripless and Scrip Offer Shares**

If you hold share certificate(s) of some of the Offer Shares beneficially owned by you and if you have deposited the rest of the Offer Shares beneficially owned by you with CDP, you are required to complete, sign and submit at your own risk, the signed original FAT in respect of the Offer Shares represented by share certificate(s) and the signed original FAA in respect of the Offer Shares which are deposited with CDP, if you wish to accept the Offer in respect of all such Offer Shares. Both the FAT and the FAA must be completed, signed and accompanied by the relevant documents and submitted to the Offeror in accordance with the respective procedures for acceptance set out in paragraphs 1 and 2 of this **Appendix VI**.

#### **Deposit Time**

If you hold share certificate(s) of the Offer Shares beneficially owned by you and you wish to accept the Offer in respect of such Offer Shares, you should not deposit the share certificate(s) with CDP during the period commencing on the date of this Offer Document and ending on the Closing Date (both dates inclusive) as your Securities Account may not be credited with the relevant number of Offer Shares in time for you to accept the Offer.

## **Discretion**

If you wish to accept the Offer, it is your responsibility to ensure that the FAA and/or the FAT, as the case may be, is properly completed in all respects, submitted with original signature(s) and all required documents are provided. The Offeror, KPMG, CDP and/or the Share Registrar will be entitled, at their sole and absolute discretion, to reject any acceptance which does not comply with the provisions and instructions contained herein and in the FAA and/or the FAT, as the case may be, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect.

**ANY DECISION TO REJECT ANY ACCEPTANCE WILL BE FINAL AND BINDING, AND NONE OF THE OFFEROR, KPMG, CDP OR THE SHARE REGISTRAR ACCEPTS ANY RESPONSIBILITY OR LIABILITY FOR THE CONSEQUENCES OF SUCH A DECISION.**

## **Acceptances Received on Saturday, Sunday and Public Holidays**

Acceptances in the form of the FAA and/or the FAT received by the Offeror, KPMG, CDP and/or the Share Registrar, on a Saturday, Sunday or public holiday will only be processed and validated on the next business day.

## **Evidence of Title**

Submission of the duly completed and signed original FAA and/or FAT through CDP and/or the Share Registrar and/or, as the case may be, the Offeror or KPMG, shall be conclusive evidence in favour of the Offeror, KPMG, CDP and the Share Registrar of the right and title of the person(s) signing it to deal with the same and with the Offer Shares to which it relates.

## **Personal Data Privacy**

By completing and delivering a FAA and/or a FAT, each person (a) consents to the collection, use and disclosure of his personal data by the Share Registrar, Securities Clearing and Computer Services (Pte) Ltd, CDP, the SGX-ST, the Offeror, KPMG and the Company (the "**Relevant Persons**") for the purpose of facilitating his acceptance of the Offer, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines, (b) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable law, and (c) agrees that he will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of such warranty.

## APPENDIX VII – KYOWA EXEO’S SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Kyowa Exeo are prepared, in principle, in accordance with accounting principles generally accepted in Japan (J GAAP) as issued by the Accounting Standards Board of Japan (ASBJ).

### Consolidation

The consolidated financial statements include the accounts of Kyowa Exeo and its 28 material subsidiaries in the financial year ended 31 March 2018. All significant intercompany transactions and account balances are eliminated in consolidation.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value at the time Kyowa Exeo took control over the respective subsidiaries.

### Application of the equity method of accounting for investments

Investments in non-consolidated subsidiaries and affiliated companies have not been accounted for by the equity method because they have not been significant for the consolidated net income and retained earnings.

### Matters concerning financial year end of consolidated subsidiaries

The financial year end of one of the consolidated subsidiaries, MG EXEO NETWORK, INC., is 31 December. In preparing consolidated financial statements, the financial statements of the above company as of the above financial year end are used. However, for material transactions occurring during the period from 1 January to 31 March of the financial year end of the consolidated financial statements, necessary adjustments are made for consolidation.

### Marketable and investment securities

Kyowa Exeo and its consolidated subsidiaries examine the intent of holding each security and classify those securities as (a) securities held for trading purposes (hereafter, “**trading securities**”), (b) debt securities intended to be held to maturity (hereafter, “**held-to-maturity securities**”), (c) equity securities issued by subsidiaries and affiliated companies, or (d) all other securities that are not classified in any of the above categories (hereafter, “**available-for-sale securities**”).

Kyowa Exeo and its consolidated subsidiaries had no trading securities and held-to-maturity debt securities. Equity securities issued by subsidiaries and affiliated companies that are not consolidated or accounted for using the equity method are stated at moving-average cost. Available-for-sale securities with available fair market values are stated at fair market value. Net unrealised holding gains on securities are reported, net of applicable income taxes, as a separate component of net assets. Realised holding gains and losses on sale of such securities are computed using moving-average cost.

### Valuation of inventories

Costs on uncompleted construction contracts are stated at cost using the specific identification cost method. Raw materials and supplies are stated at cost using the moving-average method. (The cost method with book value written down to the net realisable value.)

## **Material depreciable assets and depreciation method**

### **Property and equipment and depreciation (Except for leased assets)**

Property and equipment are stated at cost. Depreciation is computed using the declining-balance method at rates in line with the standard stipulated Corporate Tax Act in Japan. Buildings acquired after 31 March 1998 and building, accompanying facilities and structure acquired after 31 March 2016 are depreciated using the straight-line method. Also, solar power generation equipment and electric power selling business equipment are depreciated using the straight-line method.

### **Intangible assets**

Amortization is computed using the straight-line method at rates in line with the standard stipulated in Corporate Tax Act in Japan. Software for internal use is amortized on a straight-line basis over the estimated useful life of five years.

### **Leased assets**

Leased assets are depreciated using the straight-line method over the period of the lease, with zero residual value.

### **Allowance for doubtful accounts**

Kyowa Exeo and its consolidated subsidiaries provide for doubtful accounts principally at an amount computed based on the historical bad debt ratio during a certain reference period and an estimated uncollectible amount based on the analysis of certain individual accounts, including claims in bankruptcy.

### **Provision for bonuses**

Provision for bonuses is provided for the portion relevant to the current year of the estimated amount of bonus payments to employees in certain consolidated subsidiaries.

### **Provision of directors' bonuses**

Provision for directors' bonuses is provided for the portion relevant to the current year of the estimated amount of bonus payments to directors in certain consolidated subsidiaries.

### **Provision for warranties for completed construction**

Provision for warranties for completed construction is provided at the amount calculated based on the estimated compensation for repairs to completed construction for which Kyowa Exeo and its consolidated subsidiaries are responsible.

### **Provision for loss on construction contracts**

Provision for loss on construction contracts is provided at an amount sufficient to cover probable and determinable future losses on the construction contracts outstanding at the balance sheet date.

### **Provision for directors' retirement benefits**

Provision for directors' retirement benefits are provided in accordance with Kyowa Exeo's and consolidated subsidiaries' in accordance with the corporation bylaws.

### **Allowance for investment loss**

Allowance for investment loss is provided to cover possible future losses on investments in affiliated companies.

### **Accounting for retirement benefits**

1. The method of attribution of the estimated amount of retirement benefits to the period  
In the calculation of the retirement benefit obligation, the estimated amount of retirement benefits is attributed to the period up to the end of the current consolidated fiscal year, in accordance with the accounting standard for retirement benefits.
2. Amortization of actuarial differences and prior service cost  
Prior service costs are amortized mainly by the straight-line method over the average remaining service period (mainly 15 years) of employees at the time of recognition, and actuarial differences are amortized mainly by the straight-line method over the average remaining service period (mainly 16 years) of employees at the time of recognition, from the fiscal year following the respective fiscal year of recognition.
3. Unrecognized actuarial loss and unrecognized prior service cost  
Unrecognized actuarial gain or loss and unrecognized prior service costs are adjusted for tax effect and are recorded in accumulated adjustment for retirement benefits of accumulated other comprehensive income included in net assets.

### **Basis for recording net sales and cost of sales**

The percentage-of-completion method (cost method for estimated rate of progress on construction) has been applied when the outcome of individual contracts can be estimated reliably, and Kyowa Exeo. Otherwise the completed-contract method is applied.

### **Scope of cash and cash equivalents in the consolidated statements of cash flows**

Cash and cash equivalents in the consolidated statements of cash flows are composed of cash in hand, bank deposits able to be withdrawn on demand and short-term investments with an original maturity of three months or less and which represent a minor risk of fluctuation in value.

### **Amortisation of goodwill**

Goodwill is amortised primarily within five (5) years.

### **Accounting for consumption taxes**

Consumption taxes are excluded from each account that is subject to such taxes.

Disclaimer: This **Appendix VII** is an English translation of the accounting policies of Kyowa Exeo. The accounting policies of Kyowa Exeo (in Japanese) are available for inspection as set out in paragraph 4 of **Appendix IV** to this Offer Document. In the event of any inconsistency between the accounting policies of Kyowa Exeo (in Japanese) and the English translation in this **Appendix VII**, the accounting policies of Kyowa Exeo (in Japanese) shall prevail.

In the event of any inconsistency between this **Appendix VII** and the Offer Document, the Offer Document shall prevail.



