

VOLUNTARY UNCONDITIONAL CASH OFFER

by



UOB KAY HIAN PRIVATE LIMITED
(Company Registration No.: 197000447W)
(Incorporated in Singapore)

for and on behalf of

TSI METALS HK LIMITED
(Company Registration No.: 2813542)
(Incorporated in Hong Kong)

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

DUTECH HOLDINGS LIMITED
(Company Registration No.: 200616359C)
(Incorporated in Singapore)

OFFER ANNOUNCEMENT

1. INTRODUCTION

UOB Kay Hian Private Limited ("**UOBKH**") wishes to announce, for and on behalf of TSI Metals HK Limited (the "**Offeror**"), that the Offeror intends to make a voluntary unconditional cash offer (the "**Offer**") in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of Dutech Holdings Limited (the "**Company**"), other than any Shares held in treasury (the "**Offer Shares**").

2. THE OFFER

2.1 Offer Terms

In accordance with Rule 15 of the Code and subject to the terms and conditions set out in the formal offer document to be issued by UOBKH, for and on behalf of the Offeror (the "**Offer Document**"), the Offeror will make the Offer for the Offer Shares on the following basis:

(a) Offer Price

The offer price for each Offer Share (the "**Offer Price**") will be as follows:

For each Offer Share: S\$0.40 in cash.

(b) Offer Shares

The Offer, when made, will be extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror in relation to the Offer.

For the purposes of the Offer, the expression the "**Offer Shares**" will include all such Shares and the expression the "**Shareholders**" shall mean each shareholder of the Company.

(c) No Encumbrances

The Offer Shares will be acquired (i) fully paid-up; (ii) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever (the "**Encumbrances**"); and (iii) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and hereafter attaching thereto (including the right to receive and retain all dividends, rights, other distributions and return of capital, if any, which may be announced, declared, paid or made thereon by the Company on or after the date of this Announcement). **In the event that any dividends, rights, other distributions or return of capital is declared, made or paid on or after the date of this Announcement, the Offeror reserves the right to reduce the Offer Price by the amount of such dividends, rights, distributions or return of capital paid by the Company to the accepting Shareholder.**

2.2 Unconditional Offer

The Offer is unconditional in all respects.

3. INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated under the laws of Hong Kong on 9 April 2019. As at the date of this Announcement, the Offeror has an issued share capital of HKD50,000, consisting of 50,000 ordinary shares, which are held solely by Dr. Liu Jia Yan Johnny ("**Dr. Liu**"). The sole director of the Offeror (the "**Director**") is Dr. Liu.

4. INFORMATION ON THE COMPANY

4.1 Based on publicly available information, the Company was incorporated under the laws of Singapore on 2 November 2006 and was listed on the Mainboard of the Singapore Exchange

Securities Trading Limited (the "**SGX-ST**") on 2 August 2007. The Company and its subsidiaries (the "**Group**") are engaged in the business of manufacture of high security products.

4.2 As at the date of this Announcement, based on publicly available information:

- (a) the Company has an issued and paid-up share capital comprising 356,536,000 Shares. The Company does not have any treasury shares; and
- (b) the directors of the Company are:
 - (i) Dr. Liu (Executive Chairman and Chief Executive Officer);
 - (ii) Mr. Liu Bin (Executive Vice-Chairman);
 - (iii) Ms. Tan Yee Peng (Lead Independent Director);
 - (iv) Mr. Graham MacDonald Bell (Independent Director);
 - (v) Mr. Chen Zhaohui, George (Independent Director);
 - (vi) Dr. Hedda Juliana im Brahm-Droege (Non-Executive Director); and
 - (vii) Mr. Christoph Hartmann (Non-Executive Director).

5. **IRREVOCABLE UNDERTAKINGS AND ROLLOVER ARRANGEMENT**

5.1 **Details of Irrevocable Undertakings and Roll-over Arrangement**

As at the date of this Announcement:

- (a) Spectacular Bright Corp ("**Spectacular**"), a company wholly owned by Dr. Liu, holds 152,438,956 Shares representing approximately 42.76% of the total Shares; and
- (b) Willalpa International Limited ("**Willalpa**", and together with Spectacular, the "**Undertaking Shareholders**"), a company wholly owned by Mr Liu Bin (being Dr. Liu's brother), holds, through DBS Nominees Pte. Ltd., 56,282,864 Shares representing approximately 15.79% of the total Shares.

Each of Spectacular and Willalpa has executed an irrevocable undertaking dated 31 May 2021 (collectively, the "**Irrevocable Undertakings**") in favour of the Offeror, pursuant to which each of them has undertaken to, *inter alia*, (a) accept the Offer in respect of all Shares held by it; and (b) accept the Offer in respect of any other Shares or securities in the capital of the Company that it may acquire, or which may be allocated and issued to it, on or after the date of the Irrevocable Undertakings.

Further, pursuant to the Irrevocable Undertaking executed by Spectacular, Spectacular has agreed to be allotted and issued new ordinary shares in the capital of the Offeror for an

aggregate subscription price that will be set off, in full, against the cash consideration payable by the Offeror to Spectacular for accepting the Offer in respect of its Shares pursuant to the aforementioned Irrevocable Undertaking (the "**Rollover Arrangement**"). The Securities Industry Council of Singapore has confirmed that the Rollover Arrangement does not constitute a special deal for the purposes of Rule 10 of the Code.

5.2 Aggregate Holdings of Undertaking Shareholders

Pursuant to the Irrevocable Undertakings, the aggregate number of Shares held by Spectacular and Willalpha amount to 208,721,820 Shares, representing approximately 58.54% of the total Shares.

5.3 Termination of Irrevocable Undertakings

The Irrevocable Undertakings shall terminate, lapse and cease to have any effect upon the Offer lapsing or being withdrawn for whatever reason other than as a result of a breach of any of Spectacular's and Willalpha's obligations under the Irrevocable Undertakings.

6. RATIONALE FOR THE OFFER

6.1 General Low Trading Liquidity of Shares

The trading volume of the Shares has been low, with an average daily trading volume¹ of approximately 23,725 Shares, 45,181 Shares, 37,717 Shares and 56,802 Shares during the one (1)-month period, three (3)-month period, six (6)-month period and twelve (12)-month period up to and including 28 May 2021, being the last full Market Day of trading in the Shares prior to the date of this Announcement (the "**Last Trading Day**"). This represents less than 0.02% of the total number of issued Shares for each of the relevant periods. Hence, the Offer represents a unique cash exit opportunity for the Shareholders to realise their entire investment at a premium over the market prices of the Shares up to and including the Last Trading Day as stated in paragraph 7 below, an option which may not otherwise be readily available due to the low trading liquidity of the Shares, without incurring brokerage and other trading costs.

For the purposes of this Announcement, "**Market Day**" means a day on which the SGX-ST is open for the trading of securities.

6.2 Greater Flexibility to Manage the Business of the Company

As noted in paragraph 8.3 below, the Offeror is making the Offer with a view to delisting the Company from the Mainboard of the SGX-ST and exercising any rights of compulsory acquisition that may arise under Section 215(1) of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**"). The Offeror believes that privatising the Company will

¹ The average daily trading volume of the Shares is calculated based on the total volume of Shares traded divided by the number of days which the SGX-ST is open for trading of securities during the relevant periods.

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.

6.3 Reduced Compliance Costs

In maintaining its listed status, the Company incurs compliance and associated costs. In the event the Offeror is able to delist the Company, 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.

7. FINANCIAL EVALUATION OF THE OFFER

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

Description	Share Price (S\$) ⁽¹⁾	Premium of the Offer Price over Share Price (%) ⁽²⁾
(a) Last transacted price per Share on the SGX-ST on the Last Trading Day	0.250	60.0
(b) The volume weighted average price (" VWAP ") of the Shares traded on the SGX-ST for the one (1)-month period prior to and including the Last Trading Day	0.251	59.4
(c) VWAP of the Shares traded on the SGX-ST for the three (3)-month period prior to and including the Last Trading Day	0.249	60.6
(d) VWAP of the Shares traded on the SGX-ST for the six (6)-month period prior to and including the Last Trading Day	0.251	59.4
(e) VWAP of the Shares traded on the SGX-ST for the twelve (12)-month period prior to and including the Last Trading Day	0.270	48.1

Notes:

- (1) The figures set out in the table above are based on data extracted from Bloomberg L.P. on 28 May 2021.
- (2) Computed based on the Share prices which were rounded to the nearest three (3) decimal places. Premium over Share price were rounded to the nearest one (1) decimal place.

8. LISTING STATUS AND COMPULSORY ACQUISITION

8.1 Listing Status

Pursuant to Rule 1105 of the listing manual of the SGX-ST (the "**Listing Manual**"), 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 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual 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.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Listing Manual 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 total number of issued Shares held in public hands to at least 10%, failing which the Company may be delisted from SGX-ST.

8.2 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 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, for the avoidance of doubt, any Shares held in treasury), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of the Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") at a price equal to the Offer Price.

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 Shares, Dissenting Shareholders will have a right to require the Offeror to acquire their Shares at the Offer Price. Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice.

8.3 Offeror's intentions

The Offeror 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 total 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 1309 of the Listing Manual (collectively, the "**Voluntary Delisting Rules**"). Without prejudice to the foregoing, if the Offeror receives, as at the close of the Offer, valid acceptances of the Offer from Shareholders (other than persons acting in concert with the Offeror) (the "**Independent Shareholders**") representing at least 75% of the total number of Shares held by the Independent Shareholders and subject to substantive compliance with the other requirements set out in the Voluntary Delisting Rules, the Offeror intends to seek the SGX-ST's waiver from strict compliance with such Voluntary Delisting Rules.

In the event that the public float is lost and the Offeror is unable to exercise its rights of compulsory acquisition or the Company is unable to meet the requirements set out in the Voluntary Delisting Rules, the trading of the Shares may be subjected to a prolonged period of suspension.

Save as disclosed in this Announcement and other than in the ordinary course of business, the Offeror currently has no plans to (a) introduce any major changes to the business of the Company; (b) re-deploy the fixed assets of the Company; or (c) discontinue the employment of any of the existing employees of the Group. However, the Offeror retains the flexibility at any time to consider any options in relation to the Company which may present themselves and which the Offeror may regard to be in the interest of the Group.

9. CONFIRMATION OF FINANCIAL RESOURCES

China Merchants Bank Co., Ltd., Singapore Branch 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 (excluding the consideration payable for the Offer Shares to be tendered by Spectacular which is subject to the Rollover Arrangement referred to in paragraph 5.1 above).

10. OFFER DOCUMENT

The Offer Document setting out the full terms and conditions of the Offer and enclosing the relevant form(s) of acceptance will be electronically disseminated and/or despatched (as the case may be) to Shareholders not earlier than 14 days and not later than 21 days from the date of this Announcement.

In the meantime, Shareholders are advised to exercise caution and seek appropriate independent professional advice when dealing in their Shares.

11. DISCLOSURE OF HOLDINGS IN COMPANY SECURITIES

11.1 As at the date of this Announcement, save as set out in this Announcement, including **Appendix I** to this Announcement, none of (a) the Offeror and its sole Director, (b) Mr. Liu Bin, (c) UOBKH and (d) the Undertaking Shareholders (collectively, the "**Relevant Persons**") owns, controls or has agreed to acquire any (i) Shares; (ii) securities which carry voting rights in the Company; or (iii) convertible securities, warrants, options or derivatives in respect of such Shares or securities (collectively, the "**Company Securities**").

11.2 As at the date of this Announcement, (a) save as set out in this Announcement, including **Appendix I** to this Announcement and (b) save that the Offeror has entered into financing arrangements with China Merchants Bank Co., Ltd. for *inter alia* the Offer pursuant to which, *inter alia*, the shares of the Offeror are, and the Shares to be acquired by the Offeror will be, charged in favour of China Merchants Bank Co., Ltd. as security, none of the Relevant Persons:

- (i) has received any irrevocable commitment from any person to accept the Offer;
- (ii) has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material to the Offer; and
- (iii) has, in respect of any Company Securities:
 - (A) granted any security interest to another person, whether through a charge, pledge or otherwise;
 - (B) borrowed from another person (excluding borrowed securities which have been on-lent or sold); or
 - (C) lent to another person.

11.3 In the interest of confidentiality, the Offeror has not made enquiries in respect of certain other persons who are or may be deemed to be acting in concert with it in connection with the Offer. For the same reason, UOBKH has also not made further enquiries in respect of persons controlling, controlled by or under the same control as UOBKH. Further enquiries will be made of such persons and the relevant disclosures, if any, will be made in the Offer Document.

11.4 In accordance with the Code, the associates (as defined under the Code, and which includes all substantial Shareholders) of the Company and the Offeror are hereby reminded to disclose their dealings in any Company Securities under Rule 12 of the Code.

12. OVERSEAS PERSONS

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any

jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. **For the avoidance of doubt, the Offer shall be open to all Shareholders, including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.**

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

Copies of this Announcement 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.

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

The Offeror and UOBKH each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders who are not resident in Singapore by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a 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.

13. DIRECTOR'S RESPONSIBILITY STATEMENT

The sole Director (including where he may have delegated detailed supervision of this Announcement) has taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement (other than those relating to the Company) are fair and

accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the sole Director has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The sole Director accepts responsibility accordingly.

Issued by
UOB KAY HIAN PRIVATE LIMITED

For and on behalf of
TSI METALS HK LIMITED

31 May 2021

Any inquiries relating to this Announcement or the Offer should be directed during office hours to:

UOB KAY HIAN PRIVATE LIMITED
Tel: (65) 6590 6881

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "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 UOBKH undertakes any obligation to update publicly or revise any forward-looking statements.

APPENDIX I

DETAILS OF HOLDINGS OF COMPANY SECURITIES BY THE RELEVANT PERSONS AS AT THE DATE OF THIS ANNOUNCEMENT

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Dr. Liu ⁽²⁾	-	-	152,438,956	42.76	152,438,956	42.76
Mr. Liu Bin ⁽³⁾	-	-	56,282,864	15.79	56,282,864	15.79
Spectacular Bright Corp	152,438,956	42.76	-	-	152,438,956	42.76
Willalpha International Limited	56,282,864	15.79	-	-	56,282,864	15.79

Notes:

- (1) The percentage shareholding interest is based on the issued share capital of 356,536,000 Shares as at the date of this Announcement.
- (2) Dr. Liu's deemed interest includes 152,438,956 Shares held by Spectacular, which is wholly owned by Dr. Liu.
- (3) Mr. Liu Bin is the beneficial owner of 56,282,864 Shares held by Willalpha International Limited through DBS Nominees Pte Ltd.