

## MANDATORY CONDITIONAL CASH OFFER

by



**UNITED OVERSEAS BANK LIMITED**

(Company Registration Number: 193500026Z)

(Incorporated in Singapore)

for and on behalf of

**PATEC PTE. LTD.**

(Company Registration Number: 200612917K)

(Incorporated in Singapore)

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

**BROADWAY INDUSTRIAL GROUP LIMITED**

(Company Registration Number: 199405266K)

(Incorporated in Singapore)

**other than those already owned, controlled or agreed to be acquired by the Offeror**

### OFFER ANNOUNCEMENT

#### 1. INTRODUCTION

United Overseas Bank Limited ("**UOB**") wishes to announce, for and on behalf of Patec Pte. Ltd. (the "**Offeror**"), that the Offeror has today entered into a share purchase agreement with each of Lau Leok Yee and Lew Syn Pau (collectively, the "**Vendors**"), pursuant to which the Offeror will purchase an aggregate of 196,964,849 issued and paid-up ordinary shares in the capital of Broadway Industrial Group Limited (the "**Company**") from the Vendors, representing approximately 43.32% of the total number of issued and paid-up ordinary shares in the capital of the Company<sup>1</sup> (the "**Shares**") (excluding Shares held in treasury), at a price of S\$0.197 per Share (the "**Acquisition**").

Prior to the Acquisition, the Offeror did not own or control any Shares. As a result of the Acquisition, the Offeror owns, controls or has agreed to acquire an aggregate of 196,964,849 Shares, representing approximately 43.32% of the total number of Shares (excluding Shares held in treasury).

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<sup>1</sup> Unless otherwise stated, references in this Announcement to the total number of issued Shares are based on 454,656,461 Shares in issue (excluding Shares held in treasury) (based on a search conducted with the Accounting and Corporate Regulatory Authority of Singapore as at 25 October 2024). As at 25 October 2024, the Company holds 17,258,150 Shares in treasury. The percentage of Shares is rounded to 2 decimal places.

As a consequence of the Acquisition, the Offeror is required to make a mandatory conditional cash offer (the "**Offer**") for all the Shares, excluding Shares held in treasury and those already owned, controlled or agreed to be acquired by the Offeror (the "**Offer Shares**"), in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**").

## 2. THE OFFER

### 2.1 Offer Terms

In accordance with Rule 14 of the Code and subject to the terms and conditions set out in the formal offer document to be issued by UOB, for and on behalf of the Offeror (the "**Offer Document**"), the Offeror will make the Offer for the Offer Shares on the following basis:

(a) **Offer Price**

**For each Offer Share: S\$0.197 in cash (the "Offer Price").**

(b) **Offer Shares**

The Offer, when made, will be extended, on the same terms and conditions, to all **Offer Shares**. For the avoidance of doubt, the Offer will also be extended to:

- (i) all Shares unconditionally issued pursuant to the exercise of any outstanding options ("**Options**") granted under the BIGL Share Option Scheme 2022 (the "**Share Option Scheme**") prior to the close of the Offer; and
- (ii) all Shares unconditionally issued or delivered pursuant to the vesting and release of any outstanding awards ("**Awards**") granted under the BIGL Share Plan 2022 (the "**Share Plan**") prior to the close of the Offer.

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

### 2.2 No Encumbrances

The Offer Shares are to 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; and (c) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement (the "**Offer Announcement Date**") and hereafter attaching thereto (including the right to receive and retain all dividends, other distributions and/or return of capital ("**Distribution**"), if any, which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

**In the event that any Distribution is announced, declared, paid or made on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such Distribution paid by the Company to the accepting shareholder of the Company ("Shareholder").**

### 2.3 **Conditional Offer**

The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of the Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with it (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and persons acting in concert with it holding such number of Shares carrying more than 50% of the total voting rights attributable to the issued share capital of the Company (excluding Shares held in treasury) as at the close of the Offer (including any Shares which may be unconditionally issued pursuant to the valid exercise of the Options or the valid vesting and release of the Awards prior to the close of the Offer).

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by or on behalf of the Offeror and persons acting in concert with it (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and persons acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the maximum potential issued share capital of the Company. For the purposes of this Announcement, the "**maximum potential issued share capital of the Company**" means the total number of Shares (excluding Shares held in treasury) which would be in issue had all the outstanding Options been validly exercised and all the Shares under the Awards been issued and delivered as at the date of such declaration.

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

### 2.4 **Options**

As at the date of this Announcement, based on the latest information available to the Offeror, there are 10,300,000 outstanding Options granted under the Share Option Scheme.

Under the rules of the Share Option Scheme, the outstanding Options are personal to the holders whom they are granted and shall not be transferred. In view of this restriction, the Offeror will not be extending the Offer to the Options granted under the Share Option Scheme but will extend the Offer to all Shares unconditionally issued pursuant to the exercise of any outstanding Options granted under the Share Option Scheme prior to the close of the Offer.

### 2.5 **Awards**

As at the date of this Announcement, based on the latest information available to the Offeror, there are 2,600,000 outstanding Awards granted under the Share Plan.

Under the rules of the Share Plan, the Awards are not freely transferable by the holders thereof. In view of this restriction, the Offeror will not make an offer to acquire the Awards. However, as stated above, the Offer will be extended to all new Shares unconditionally issued pursuant to

the valid vesting and release of any awards on or prior to the close of the Offer of any such Awards.

## 2.6 Further Information

Further information on the Offer and the terms and conditions upon which the Offer will be made will be set out in the Offer Document to be issued.

## 3. INFORMATION ON THE COMPANY

3.1 Based on publicly available information, the Company was incorporated under the laws of Singapore on 28 July 1994, and was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 30 November 1994. The principal activities of the Company and its subsidiaries (the "**Group**") comprise the manufacture, sale and distribution of precision components and parts, sub-assembly of actuator arms, wholesale of machinery and equipment and after-sales services including technical activities, research and development, and business and management consultancy services. The Group is headquartered in Singapore and operates in Singapore, Thailand, Vietnam, South Korea and China.

3.2 As at the Offer Announcement Date, based on publicly available information:

- (a) the board of directors of the Company (the "**Directors**") comprises the following individuals:
  - (i) Lew Syn Pau (Non-Independent Non-Executive Chairman);
  - (ii) Basil Chan (Lead Independent Director);
  - (iii) Teo Ho Pin (Independent Director);
  - (iv) Jen Kwong Hwa (Independent Director); and
  - (v) Wong Yi Jia (Non-Independent Non-Executive Director); and
- (b) the issued and paid-up share capital of the Company comprises 454,656,461 Shares (excluding 17,258,150 Shares held in treasury).

## 4. INFORMATION ON THE OFFEROR

4.1 The Offeror is a company incorporated under the laws of Singapore on 4 September 2006 and it is wholly-owned by Patec Precision Industry Co., Ltd. ("**Patec Taiwan**", and together with its subsidiaries, the "**Patec Group**"). Patec Taiwan is a company incorporated under the laws of the Cayman Islands and listed on the Taiwan Stock Exchange of the Taiwan Stock Exchange Corporation. The Patec Group is an engineering solutions provider to the metal-forming industry, comprising two distinctive and complementary business units, namely engineering solutions and components manufacturing.

4.2 As at the date of this Announcement:

- (a) the Offeror has an issued and paid-up capital of approximately S\$41,563,036 comprising 36,841,490 ordinary shares; and
- (b) the board of directors of the Offeror comprises the following individuals:
  - (i) Wee Liang Kiang, who is also the chairman and a director of Patec Taiwan;
  - (ii) Wee Hong Jie, who is the son of Wee Liang Kiang and also the general manager and a director of Patec Taiwan; and
- (c) save for the Shares to be acquired pursuant to the Acquisition, the Offeror does not own any Shares.

## 5. RATIONALE FOR THE OFFER

### 5.1 Expand Product and Service Offerings

The Acquisition and the Offer represents an opportunity for the Offeror to acquire control of a manufacturer of precision-machined components with manufacturing footprints in Thailand, China and Vietnam, and thus allows the Patec Group to expand its product and service offerings. The Offeror believes that if the Offer is successful, it will be able to leverage on the combined expertise to innovate and develop higher value products.

### 5.2 Offer Price at a Premium over the Historical Traded Share Prices

When compared to the benchmark prices of the Shares up to and including 25 October 2024 (the "**Last Trading Day**"), the Offer Price represents a premium of approximately 27.1%, 7.1%, 3.1% and 3.7% over the volume weighted average price ("**VWAP**") per Share for the 12-month period, six (6)-month period, three (3)-month period and one (1)-month period respectively.

The Offer presents Shareholders with an opportunity to realise their investment in the Shares at a premium over the historical trading prices of the Shares without incurring brokerage and other trading costs.

### 5.3 Compliance with the Code

As a result of the Acquisition as set out in paragraph 1 of this Announcement, the Offeror is making the Offer for all the Offer Shares in compliance with Rule 14 of the Code.

## 6. OFFEROR'S INTENTIONS FOR THE COMPANY

It is currently the intention of the Offeror to ensure continuity in the operations of the Group. After the close of the Offer, the Offeror also intends to undertake a review of the operations,

management and financial position of the Company and to evaluate various options or opportunities which may present themselves which it regards to be in the interests of the Offeror and/or the Company.

The Offeror will explore opportunities to restructure and optimise the business operations of the Group to integrate them with those of the Patec Group post-Offer, with a focus on enhancing efficiency, fostering innovation and building resilience. This may entail an organisational restructuring of the Group. Such initiatives may involve significant capital expenditure and the Offeror will maintain flexibility in its capital allocation strategy to pursue these initiatives, prioritising the future growth of the Group over short term shareholder returns.

Shareholders should carefully consider the opportunity to monetise their investment through the Offer with price certainty at a premium over the historical traded Share prices as set out in paragraph 5.2 of this Announcement, without incurring brokerage and other trading costs.

Save as disclosed above, the Offeror does not currently have any intention to (a) make any major changes to the business of the Company, (b) re-deploy the fixed assets of the Company, or (c) discontinue the employment of the existing employees of the Group, other than in the ordinary course of business.

## 7. FINANCIAL EVALUATION OF THE OFFER

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

Description	Benchmark Price (S\$) <sup>(1)</sup>	Premium over Benchmark Price (%) <sup>(2)</sup>
Last transacted price per Share as quoted on the SGX-ST on the Last Trading Day	0.184	7.1
VWAP of the Shares traded on the SGX-ST for the twelve (12)-month period prior to and including the Last Trading Day	0.155	27.1
VWAP of the Shares traded on the SGX-ST for the six (6)-month period prior to and including the Last Trading Day	0.184	7.1
VWAP of the Shares traded on the SGX-ST for the three (3)-month period prior to and including the Last Trading Day	0.191	3.1
VWAP of the Shares traded on the SGX-ST for the one (1)-month period prior to and including the Last Trading Day	0.190	3.7

**Notes:**

- (1) The figures are based on data extracted from Bloomberg Finance L.P. on the Last Trading Day, and rounded to the nearest three (3) decimal places.
- (2) The premium over benchmark price was rounded to the nearest one (1) decimal place.

## **8. LISTING STATUS AND COMPULSORY ACQUISITION**

### **8.1 Listing Status**

Under Rule 723 of the listing manual of the SGX-ST (the "**Listing Manual**"), the Company must ensure that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) is at all times held in public hands (the "**Free Float Requirement**"). Pursuant to Rule 1105 of 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.

Under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not satisfied, 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 Shares (excluding any Shares held in treasury) held in public hands to at least 10%, failing which the Company may be removed from the Official List of the SGX-ST.

### **8.2 Compulsory Acquisition**

Pursuant to Section 215(1) of the Companies Act 1967 of Singapore (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, or treated as held, by the Offeror as at the date of the Offer and excluding any Shares held in treasury), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of 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 in treasury and Shares held, or treated as held, by it, 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.

### 8.3 Offeror's Intentions

The Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to support or take any step (including the placing out of Shares by the Offeror) 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 1309 of the Listing Manual.

## 9. DISCLOSURE OF SHAREHOLDINGS

9.1 As at the Offer Announcement Date, based on the latest information available to the Offeror, save for the financing arrangements made in connection with the Offer, including the creation of security interests over all Shares legally and beneficially owned by the Offeror in favour of E.SUN Commercial Bank, and other than the Shares to be acquired pursuant to the Acquisition, none of (a) the Offeror and its directors; and (b) UOB, as financial adviser to the Offeror:

- (i) owns, controls or has agreed to acquire any:
  - (A) Shares;
  - (B) securities which carry voting rights in the Company; or
  - (C) convertible securities, warrants, options or derivatives in respect of such Shares or securities,(collectively, the "**Company Securities**");
- (ii) has received any irrevocable commitment from any party to accept the Offer;
- (iii) has entered into any arrangement (whether by way of option, indemnity or otherwise), in relation to the shares of the Offeror or the Company which might be material to the Offer; and/or
- (iv) 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.

- 9.2 In the interest of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with it in connection with the Offer. Further enquiries will be made of such persons by the Offeror and the relevant disclosures, if any, will be made in the Offer Document.
- 9.3 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 securities of the Company and the Offeror under Rule 12 of the Code.

## 10. OVERSEAS SHAREHOLDERS

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 laws. 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 laws 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 laws and regulations) 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 UOB 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.

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

UOB, as the sole 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. 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 despatched to Shareholders not earlier than 14 days and not later than 21 days from the Offer Announcement Date.

Shareholders should exercise caution and seek appropriate independent professional advice when dealing in the Shares.

#### **13. RESPONSIBILITY STATEMENT**

The directors of the Offeror (including those who may have delegated detailed supervision of this Announcement) have 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 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 Announcement.

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

Issued by  
**UNITED OVERSEAS BANK LIMITED**

For and on behalf of  
**PATEC PTE. LTD.**

28 October 2024

*Any inquiries relating to this Announcement or the Offer should be directed during office hours to the UOB helpline at (65) 6539 7066.*

*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 "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 UOB undertakes any obligation to update publicly or revise any forward-looking statements.*