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TECHCOMP (HOLDINGS) LIMITED

天美(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Hong Kong Stock code: 1298)

(Singapore Stock Code: T43)

ANNOUNCEMENT

PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE, RULE 13.09 OF THE LISTING RULES AND INSIDE INFORMATION PROVISIONS AND RESUMPTION OF TRADING

This announcement is made by the board of directors (the “**Board**”) of Techcomp (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange (the “**Hong Kong Stock Exchange**”) of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions (the “**Inside Information Provisions**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING

The Board was informed by Mr. Lo Yat Keung, the president, executive director and the controlling shareholder of the Company (the “**Controlling Shareholder**”), that a memorandum of understanding (the “**MOU**”) was entered into between the Controlling Shareholder as possible vendor and an independent third party as possible purchaser (the “**Possible Purchaser**”) on 22 May 2017 (after trading hours), in respect of the possible disposal of the shares of the Company (the “**Shares**”), representing approximately 40.8% of the issued share capital of the Company, held by the Controlling Shareholder and his spouses to the Possible Purchaser (the “**Possible Disposal**”). The Possible Disposal may involve a reorganisation of the Company (the “**Reorganisation**”, together with the Possible Disposal, the “**Proposal**”). The Reorganisation may be implemented by way of distribution or disposal of certain assets of the Company.

Pursuant to the MOU, a refundable earnest money of HK\$15 million (the “**Earnest Money**”), which will be held by an escrow agent (the “**Escrow Agent**”), is payable by the Possible Purchaser to the Escrow Agent within five business days from the date of the MOU. On 22 May 2017 (after trading hours), an escrow agreement has been entered into between the Controlling Shareholder, the Possible Purchaser and the Escrow Agent to govern the abovementioned escrow arrangement. In the event that a formal sale and purchase agreement in respect of the Possible Disposal is not entered into by the Controlling Shareholder and the Possible Purchaser prior to the Long Stop Date (as defined below), the Escrow Agent shall return the Earnest Money and accrued interest (if any) to the Possible Purchaser within two business days after the Long Stop Date (as defined below).

According to the MOU, the Controlling Shareholder agrees, and procures its associates, not to discuss or negotiate any arrangement with any other party in respect of the subject matter of the Possible Disposal for a period commencing from the date of the MOU and ending on the 90th calendar day (the “**Long Stop Date**”) after the payment date of the Earnest Money, or such other date(s) to be agreed in writing by the parties to the MOU.

The MOU is not legally binding on the parties thereto, save for customary provisions relating to the Earnest Money, due diligence, legal expenses, legal validity, confidentiality, governing law and third party rights as stipulated under the MOU.

The Proposal is subject to, among others, further negotiations between the Controlling Shareholder and the Possible Purchaser and the execution of formal agreements. Shareholders and potential investors of the Company will be informed of any further developments with regard to the Proposal as and when necessary in accordance with the Listing Rules, the Takeovers Code and the Inside Information Provisions.

If the Proposal materialises or eventually be consummated, it will lead to a change in control of the Company and a general offer pursuant to the Takeovers Code. As at the date of this announcement, no legally binding agreement in respect of the Proposal has been entered into. The discussion is still in progress and the Proposal may or may not proceed.

MONTHLY UPDATES

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the discussion on the Proposal will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules, the Takeovers Code and the Inside Information Provisions (as the case may be).

SECURITIES OF THE COMPANY

In compliance with Rule 3.8 of the Takeovers Code, the relevant securities of the Company in issue as of the date of this announcement include (i) 275,437,000 Shares, and (ii) outstanding options to subscribe for 15,473,000 Shares granted under the two share option schemes adopted by the Company on 28 May 2004 and 9 June 2011 respectively. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

DEALING DISCLOSURES

For the purpose of the Takeovers Code, the offer period of the Company commences on the date of this announcement. The associates (within the meaning ascribed thereto under the Takeovers Code, including but not limited to any person holding 5% or more of a class of relevant securities of the Company) of the Company are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.

WARNING

Shareholders and potential investors of the Company shall be aware that no legally binding agreement in respect of the Proposal has been entered into as at the date of this announcement. Accordingly, there is no assurance that the Proposal will materialise or eventually be consummated and the Proposal may or may not lead to a general offer pursuant to the Takeovers Code. Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the shares and/or other securities of the Company.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Hong Kong Stock Exchange and on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) was halted with effect from 9:00 a.m. on 23 May 2017 pending the release of this announcement.

An application has been made by the Company for resumption of trading in its Shares on the Hong Kong Stock Exchange and the SGX-ST with effect from 9:00 a.m. on 24 May 2017.

By Order of the Board of
Techcomp (Holdings) Limited
Lo Yat Keung
President

Hong Kong, 23 May 2017

As of the date of this announcement, the executive directors of the Company are Mr. Lo Yat Keung (President), Mr. Chan Wai Shing and Mr. Christopher James O’Connor and the independent non-executive directors of the Company are Mr. Ho Yew Yuen, Mr. Seah Kok Khong, Manfred and Mr. Teng Cheung Kwee.

The directors of the Company jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* *For identification purpose only*