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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

THE SUBSCRIPTION AGREEMENTS

The Board is pleased to announce that on 9 October 2014 (after trading hours), the Company entered into two separate Subscription Agreements with two Subscribers and the Guarantors, whereby the Company conditionally agreed to allot and issue and the Subscribers conditionally agreed to subscribe for an aggregate of 34,875,000 Subscription Shares at the Subscription Price of HK\$2.40 per Subscription Share.

The total number of 34,875,000 Subscription Shares represent (i) approximately 15% of the existing issued share capital of the Company of 232,500,000 Shares as at the date of this announcement, and (ii) approximately 13.04% of the issued share capital of the Company of 267,375,000 Shares as enlarged by the issue of the Subscription Shares, assuming there is no change in the issued share capital of the Company before the completion of the Subscription.

The Subscription Price of HK\$2.40 per Subscription Share represents:

- (i) a discount of approximately 5.51% to the closing price of HK\$2.54 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 2.13% to the average closing price of approximately HK\$2.35 per Share as quoted on the Stock Exchange from 30 September 2014 to the Last Trading Day, both dates inclusive, being the last five consecutive trading days immediately prior to the date of the Subscription Agreements;
- (iii) a premium of approximately 0.84% to the average closing price of approximately HK\$2.38 per Share as quoted on the Stock Exchange from 23 September 2014 to the Last Trading Day, both dates inclusive, being the last ten consecutive trading days immediately prior to the date of the Subscription Agreements; and
- (iv) a discount of approximately 1.05% to the volume weighted average market price of S\$0.4 (equivalent to approximately HK\$2.43) per Share for trades done on the SGX-ST for the full market day (being a day on which the SGX-ST is open for securities trading on 8 October

2014.

The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis among the Company and the Subscribers. The Directors (including the independent non-executive Directors) consider that the terms of Subscription are fair and reasonable under the current market conditions and are in the interests of the Company and the Shareholders as a whole.

The Directors consider that the Subscription provides an opportunity to raise capital in the market and to broaden the capital and shareholder base of the Company. The Company intends to apply the entire net proceeds from the Subscription to acquire the assets in relation to the business of the gas chromatograph and the gas chromatograph mass spectrometry single-quad products for expanding its market in Europe, Asia and North America.

Completion of the Subscription is subject to the satisfaction of the conditions precedent as set out in the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 9 October 2014 (after trading hours), the Company and two Subscribers and the Guarantors entered into the Subscription Agreements and the principal terms of which are summarised below.

THE SUBSCRIPTION AGREEMENTS

Date

9 October 2014 (after trading hours)

Parties

A. Subscription Agreement with the Company, KCH Investment Company Limited and Guo Bing

- (1) the Company;
- (2) KCH Investment Company Limited (as Subscriber); and
- (3) Mr. Guo Bing (as Guarantor)

KCH Investment Company Limited is an investment holding company incorporated in the British Virgin Islands, which is wholly and beneficially owned by Mr. Guo Bing. Mr. Guo Bing is a private investor. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, KCH Investment Company Limited and its ultimate beneficial owner, the Guarantor, are independent of and not connected with the Company or any of its connected persons (as defined in the Listing Rules).

Further to the Subscription Agreement with KCH Investment Company Limited, the Company agreed to allot and issue and KCH Investment Company Limited has conditionally agreed to

subscribe for a total of 22,669,000 Subscription Shares at the Subscription Price. The 22,669,000 Subscription Shares represent approximately 9.75% of the existing issued share capital of the Company and approximately 8.48% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

B. Subscription Agreement with the Company, GW Capital Limited and Guo Yong

- (1) the Company;
- (2) GW Capital Limited (as Subscriber); and
- (3) Mr. Guo Yong (as Guarantor)

GW Capital Limited is an investment holding company incorporated in the British Virgin Islands, which is wholly and beneficially owned by Mr. Guo Yong. Mr. Guo Yong is a private investor. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, GW Capital Limited and its ultimate beneficial owner, the Guarantor, are independent of and not connected with the Company or any of its connected persons (as defined in the Listing Rules).

Further to the Subscription Agreement with GW Capital Limited, the Company agreed to allot and issue and GW Capital Limited has conditionally agreed to subscribe for a total of 12,206,000 Subscription Shares at the Subscription Price. The 12,206,000 Subscription Shares represent approximately 5.25% of the existing issued share capital of the Company and approximately 4.56% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The two Subscription Agreements were negotiated directly and separately between the Company and the Subscribers respectively. The Subscribers and their ultimate beneficial owners were introduced to the Company by a potential investor of the Company. The Subscribers are subscribing for the Subscription Shares for investment purpose.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Subscribers is a third party independent of the other Subscriber and their respective associates. As at the date of this announcement, none of the Subscribers nor their respective associates have any interest in any Shares, and none of the Subscribers will become a substantial shareholder (as defined in the Listing Rules) of the Company upon completion of the Subscription. The Subscribers and their respective beneficial owners are investors who have no connection (including business relationships) with the Company, its Directors and substantial shareholders. The Subscribers and their respective beneficial owners are not persons to whom the Company is prohibited from issuing shares to, as provided by Rule 812 of the SGX-ST Listing Manual.

THE SUBSCRIPTION

The Subscription Shares

The aggregate of 34,875,000 Subscription Shares will be issued under the General Mandate, which was granted to the Directors by a resolution of the Shareholders passed at the AGM. Under the General Mandate, the Directors is authorized to allot and issue up to 46,500,000 Shares, being 20% of the issued share capital of the Company as at the date of the AGM. Up to the date of this announcement, no Shares have been allotted and issued under the General Mandate. Following the

completion of the Subscription, a total number of 34,875,000 Shares will be allotted and issued, leaving a balance of 11,625,000 Shares to be allotted and issued under the General Mandate. The Subscription is not subject to Shareholders' approval. The aggregate nominal value of the Subscription Shares is US\$1,743,750.

Subscription Price

The Subscription Price is HK\$2.40 per Subscription Share. The total gross proceeds from the Subscription will be approximately HK\$83,700,000. Pursuant to the Subscription Agreement, all costs, fees and expenses incurred by the Company in connection with the Subscription shall be borne by the Company.

The Subscription Price of HK\$2.40 per Subscription Share represents:

- (i) a discount of approximately 5.51% to the closing price of HK\$2.54 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 2.13% to the average closing price of approximately HK\$2.35 per Share as quoted on the Stock Exchange from 30 September 2014 to the Last Trading Day, both dates inclusive, being the last five consecutive trading days immediately prior to the date of the Subscription Agreements;
- (iii) a premium of approximately 0.84% to the average closing price of approximately HK\$2.38 per Share as quoted on the Stock Exchange from 23 September 2014 to the Last Trading Day, both dates inclusive, being the last ten consecutive trading days immediately prior to the date of the Subscription Agreements; and
- (iv) a discount of approximately 1.05% to the volume weighted average market price of S\$0.40 (equivalent to approximately HK\$2.43) per Share for trades done on the SGX-ST for the full market day (being a day on which the SGX-ST is open for securities trading) on 8 October 2014.

After deduction of the estimated expenses, the total net proceeds from the Subscription is expected to amount to approximately HK\$83,300,000 and the net proceeds per Subscription Share amounts to approximately HK\$2.39.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers, taking into account of, among others, the current market conditions, the recent trading price and liquidity of the Shares. The Directors consider that the Subscription Price is fair and reasonable.

Ranking of Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue at the time of issue and allotment of the Subscription Shares.

Conditions of the Subscription

The Subscription is conditional upon, among others, the Listing Committee of the Stock Exchange and the SGX-ST granting approval for the listing of, and permission to deal in, the Subscription Shares.

If the condition is not satisfied on or before 23 October 2014 (or such later date as may be agreed by the Company), the Subscription Agreements and all rights and obligations hereunder will cease and terminate, neither of the Subscribers and the Company will have any claim against one another for costs, damages, compensation or otherwise except for, among others, antecedent breach of provisions of the Subscription Agreements.

The Subscription Agreements are not inter-conditional to each other.

Completion

Completion of the Subscriptions will take place on the second Business Day after the condition of the Subscriptions is fulfilled (or such other date as may be agreed by the Company in writing).

LOCK-UP

Each of the Subscribers and the Guarantors undertakes in writing in their respective Subscription Agreements, on or before the date of completion of the Subscription, in favour of the Company that such Subscribers and their respective Guarantors will not, at any time within six (6) months after the date of completion of the Subscription, sell, transfer, sale or otherwise dispose of, or enter into any agreement for the sale, transfer or other disposal of any of the Subscription Shares allotted and issued to such Subscriber or any interest therein, or agree to grant any option, warrant or other right carrying the right to acquire any of the Subscription Shares or enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of the Subscription Shares.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors consider that the Subscription under the Subscription Agreements provides an opportunity to raise capital in the market and to broaden the capital and shareholder base of the Company. This further gives the Company additional capacity and capability to capture future expansion and acquisition growth opportunities as and when they arise.

In addition, the Directors had considered various ways of raising funds and consider that the Subscription represents an opportunity to raise capital for the Company while broadening the shareholder base and capital of the Company. Accordingly, the Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreements (including the Subscription Price) are fair and reasonable under the current market conditions and are in the interests of the Company and the Shareholders as a whole.

On the basis that 34,875,000 Subscription Shares are subscribed by the Subscribers under the Subscription Agreement, the gross proceeds of the Subscription will be approximately HK\$83,700,000 and the net proceeds of the Subscription will amount to approximately HK\$83,300,000 after deduction of the relevant expenses. The Company intends to use the entire net proceeds from the Subscription to acquire the assets in relation to the business of the gas

chromatograph and the gas chromatograph spectrometry single-quad products for expanding its market in Europe, Asia and North America. Reference is made to the announcement of the Company regarding the discloseable transaction in relation to acquisition of the assets dated 9 October 2014. In the event that there is any change to the intended use of proceeds, further announcement will be made by the Company.

Completion of the Subscription is subject to the satisfaction of the conditions precedent as set out in the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

There is no equity fund-raising activity of the Company in the past twelve months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The following table briefly summarises the possible effects of the Subscription on the shareholding structure of the Company, assuming that there are no other changes to the shareholding structure of the Company from the date of this announcement to the completion of the Subscription.

Shareholders	As at the date of this announcement		Immediately completion of the Subscription after (assuming Subscription subscribed in full) the Shares Subscription the are	
	No. of shares	Approximate %	No. of shares	Approximate %
Lo Yat Keung (<i>Note 1</i>)	112,456,500	48.37	112,456,500	42.06
Yung Yat (<i>Note 1</i>)	112,456,500	48.37	112,456,500	42.06
Chan Wai Shing	9,720,000	4.18	9,720,000	3.64
Xu Guoping	9,870,000	4.25	9,870,000	3.69
Ho Yew Yuen	300,000	0.13	300,000	0.11
Kabouter Fund I QP LLC (<i>Note 2</i>)	14,659,829	6.31	14,659,829	5.48
Kabouter Management, LLC (<i>Note 2</i>)	35,166,000	15.13	35,166,000	13.15
<u>Public Shareholders</u>				
KCH Investment Company Limited (<i>Note 3</i>)	—	—	22,669,000	8.48
GW Capital Limited (<i>Note 4</i>)	—	—	12,206,000	4.56
Existing public shareholders	<u>64,987,500</u>	<u>27.94</u>	<u>64,987,500</u>	<u>24.31</u>
Total	<u>232,500,000</u>	<u>100.00</u>	<u>267,375,000</u>	<u>100.00</u>

Notes:

(1) Mr. Lo Yat Keung, our President, is beneficially interested in 104,956,500 Shares and is deemed to be interested in the shares held by his spouse, Ms. Yung Yat, who has an interest in 7,500,000 Shares; while Ms. Yung Yat is beneficially interested in 7,500,000 Shares and is deemed to be interested in the shares held by Mr. Lo Yat Keung, her spouse who has an interest in 104,956,500 Shares.

(2) According to the disclosure of interest form filed by Kabouter Management, LLC, the Company is notified that Kabouter Management, LLC is deemed to be interested in the Shares, held through HKSCC Nominees Limited, owned by Kabouter Fund II, LLC (managed by Kabouter Management, LLC), Kabouter Fund I (QP), LLC (managed by Kabouter Management, LLC) and Kabouter Fund III, LLC (managed by Kabouter Management, LLC).

(3) KCH Investment Company Limited is wholly owned by Mr. Guo Bing.

(4) GW Capital Limited is wholly owned by Mr. Guo Yong.

The Company has confirmed that a minimum of 25% of its total issued share capital will be in public hands after the completion of the Subscription.

GENERAL

The Company was incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company with limited liability and its shares are listed on both the main board of SGX-ST and on the main board of the Stock Exchange. The Group is principally engaged in the manufacture and distribution of analytical instruments, life science equipment and laboratory instruments for a broad range of chemical analysis and life science applications.

As at the date of this announcement, the authorised share capital of the Company consists of 800,000,000 Shares of which 232,500,000 Shares are issued and fully paid up.

Application will be made by the Company to the Listing Committee of the Stock Exchange and the SGX-ST for the grant of the listing of, and permission to deal in, the Subscription Shares.

TERMS AND DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“AGM”	the annual general meeting of the Company held on 30 April 2014
“Board”	the board of Directors
“Business Day”	means any day (excluding Saturdays) on which commercial banks generally are open for business in Hong Kong
“Company”	Techcomp (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange and the SGX-ST
“connected person(s)”	has the meaning given to that term in the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM, among other things, to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Guo Bing and Mr. Guo Yong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	8 October 2014, being the last full trading day prior to the date of

	the Subscription Agreements
“Listing Committee”	has the meaning given to that term in the Listing Rules
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“SGX-ST”	Singapore Exchange Securities Trading Limited
“SGX-ST Listing Manual”	listing rules of the SGX-ST
“Share(s)”	ordinary share(s) of US\$0.05 each in the share capital of the Company
“Shareholders”	persons whose names appear on the register of members as registered holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	KCH Investment Company Limited and GW Capital Limited
“Subscription”	the subscription of the Subscription Shares by the Subscribers pursuant to the terms of the Subscription Agreements
“Subscription Agreements”	the two subscription agreements dated 9 October 2014 entered into between the Company and the Subscribers and the Guarantors
“Subscription Price”	HK\$2.40 per Subscription Share
“Subscription Shares”	34,875,000 new Shares to be subscribed for by the Subscribers pursuant to the terms of the Subscription Agreements
“%”	percent.

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

Hong Kong, 9 October 2014

As at the date of this announcement, the executive Directors of the Company are Mr. Lo Yat Keung (President), Mr. Chan Wai Shing and Mr. Xu Guoping, and the independent non-executive Directors of the Company are Mr. Seah Kok Khong, Manfred, Mr. Ho Yew Yuen and Mr. Teng Cheong Kwee.

**For identification purpose only*