

PUBLIC ANNOUNCEMENT

UNDER REGULATION 13(1) AND 15 (1) OF SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATION, 2011 FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF HYDRO S & S INDUSTRIES LIMITED

Registered Office : Dhun Building, 3rd Floor, 827 Anna Salai, Chennai-600 002,

Tel.: 044-28521736, Fax : 044-28520420 E-mail: info@hssil.com

Open Offer ("Offer") for acquisition of up to 16,65,874 Equity Shares from Public Shareholders of Hydro S & S Industries Limited ("Target Company") by Kingfa Sci. & Tech. Co., Ltd., Guangzhou, China ("Acquirer").

This Public Announcement ("PA") is being issued by Master Capital Services Limited ("Manager to the Offer") for and on behalf of the Acquirer to the public shareholders of the Target Company pursuant to and in compliance with, among others, Regulation 3(1) & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI(SAST) Regulations").

1. Offer Details

- (a) **Size:** The Acquirers hereby make this Open Offer to the Public Shareholders of the Target Company to acquire up to 16,65,874 fully paid up equity shares of face value of INR 10.00 (Rupee Ten only) each of the Target Company ("Equity Shares") constituting 26% of the fully paid up equity share capital of the Target Company ("Offer Size").
- (b) **Price / Consideration:** The Offer Price of INR 42.70 (Rupees Forty Two and Paise Seventy Only) per Equity Share is calculated in accordance with Regulation 8(2) of the Regulations ("Offer Price"), aggregating to a consideration of up to INR 71,132,820.00 assuming full acceptance.
- (c) **Mode of Payment:** The Offer Price is payable in **cash** in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- (d) **Type of Offer:** The Offer is mandatory offer in compliance with Regulation 3(1) & 4 of the SEBI (SAST) Regulations.

2. Transaction which has triggered the Open Offer obligations (Underlying Transaction)

Details of Underlying Transaction						
Types of Transaction (direct/indirect)	Mode of Transaction (Agreement/Allotment/ Market Purchase)	Shares / Voting rights acquired/ proposed to be acquired		Total Consideration of shares/ Voting Rights (VR) acquired (INR In Lakhs)	Mode of Payment (Cash/ Securities)	Regulation Number which has triggered
		Number	% vis a vis total equity / Voting Capital			
Direct	Acquisition through Share Purchase Agreement dated 20.05.2013 ("SPA")	42,60,700	66.50	1065.175	Cash	Regulations 3(1) & 4 of the SEBI (SAST) Regulations

3. Acquirer(s) / PAC

Details	Acquirer
Name of Acquirer	Kingfa Sci. & Tech. Co., Ltd.
Address	33 Kefeng Road, Science Town, Guangzhou Hi-Tech Industrial Development Zone, Guangzhou, China – 510663
Name(s) of persons in control/promoters of acquirers	Mr. Yuan Zhimin, Mr. Song Ziming, Ms. Xiong Haitao, Mr. Xia Shiyong, Mr. Li Nanjing & Ms. Xiong Lingyao.
Name of the Group, if any, to which the Acquirer belongs to	KINGFA Group of China
Pre Transaction shareholding - Number % of total share capital	Nil
Proposed shareholding after the acquisition of shares	42,60,700 equity shares constituting 66.50% of the

which triggered the Open Offer	equity share holding in the Target Company under the SPA
Any other interest in the TC	Nil

For the purpose of Offer there is no Person Acting in Concert (“PAC”) with the Acquirer.

4. Details of Selling Shareholders (together with “Sellers”)

Sr. No.	Name of the Selling Shareholder	Part of promoter group (Yes/ No)	Details of shares/ voting rights held by the selling shareholders			
			Pre Transaction		Post Transaction	
			Number of shares	%	Number of shares	%
1	Mrs. Vidya Srinivasan & Mr. Vankataraman Srinivasan	Yes	14,64,390	22.85	Nil	Nil
2	Mrs. Vidya Srinivasan & Mr. Murali Venkatraman	Yes	9,32,000	14.55	Nil	Nil
3	Mrs. Vidya Srinivasan & Mr. Narayan Sethuramon	Yes	7,99,700	12.48	Nil	Nil
4	Mr. Murali Venkatraman (HUF)	Yes	82,300	1.29	Nil	Nil
5	Mr. Narayan Sethuramon (HUF)	Yes	82,300	1.29	Nil	Nil
6	Mr. Venkatraman Srinivasan	Yes	82,500	1.29	Nil	Nil
7	Master Shriram Murali	Yes	1,477	0.02	Nil	Nil
8	M/s Vensunar Holdings Pvt. Ltd.	Yes	2,49,370	3.89	Nil	Nil
9	M/s Galaxy Investments Pvt. Ltd.	Yes	78,913	1.23	Nil	Nil
10	M/s Narbod Constructions Pvt. Ltd.	Yes	4,00,000	6.24	Nil	Nil
11	Mr. Dinshaw K. Parakh	Yes	56,250	0.88	Nil	Nil
12	Mr. Nagesh K Parakh	Yes	27,000	0.42	Nil	Nil
13	Mr. Dinaz Bhabha	Yes	4,500	0.07	Nil	Nil
Total			42,60,700	66.50		

5. Target Company

- Name : Hydro S & S Industries Limited
- Registered Office Address : Dhun Building, 3rd Floor, 827 Anna Salai, Chennai-600 002
- Exchanges where listed : The Bombay Stock Exchange Ltd. (BSE) & Madras Stock Exchange Ltd. (MSE). The shares of the Target Company are traded on National Stock Exchange (NSE) under an arrangement with MSE.

6. Other details

- The Detailed Public Statement (“DPS”) to be issued in accordance with regulation 13(4) of the SEBI (SAST) Regulations shall be published by May 27, 2013. The DPS shall contain details of the Offer including the detailed information of the Offer Price, detailed information on the Acquirer and Target Company, detailed reasons for the Offer, statutory approvals required for the Offer, details of financial arrangements, other terms of the Offer, conditions to the Offer and conditions precedent to the SPA.
- The Acquirer, Kingfa Sci. & Tech. Co., Ltd. accepts that they are fully aware of and will comply with the obligations of Acquirer, laid down in Takeover Regulations and declare that they have adequate financial resources in terms of Regulation 25(1) of the SEBI(SAST) Regulations to meet the Offer obligations.
- The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
- This PA is not being issued pursuant to a Competing Offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- Completion of the Offer and the underlying transaction, as envisaged under the SPA is

- i. Conditional upon Acquirer obtaining necessary statutory approvals from the Chinese Government/ Authorities for acquisition of shares of the Target Company.
- The Acquirer accepts full responsibility for the information contained in this Public Announcement.

Issued by Manager to the offer



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Email: jagmohan.singh@mastertrust.co.in

SEBI Regn. No. **INM000000107**

On behalf of the Acquirer

For Kingfa Sci. & Tech. Co. Ltd.

Sd/-

(Bo Jingen)

Managing Director

India Program Group

(Authorized Signatory)

Place: New Delhi

Date: 20.05.2013