

PRE-CONDITIONAL MANDATORY CASH OFFER

By

ANG KOK TEONG
(Passport Number: 761001075183)

**to acquire all the issued and paid-up ordinary shares in the capital of
CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED**
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200712727W)

**other than those already owned, controlled or agreed to be acquired by
Ang Kok Teong and parties acting in concert with him**

1. INTRODUCTION

- 1.1. **Pre-Conditional Offer.** Ang Kok Teong (the “**Offeror**”) wishes to announce that subject to the satisfaction of the Pre-Condition (as defined in paragraph 2.1. below), the Offeror intends to make a mandatory cash offer (the “**Offer**”) for all the issued and paid-up ordinary shares (the “**Shares**”) ¹ in the capital of China Kunda Technology Holdings Limited (the “**Company**”) other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with him, in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”) and the Singapore Code on Take-overs and Mergers (the “**Code**”).

The Offer will not be made unless and until the Pre-Condition (as defined herein) is satisfied. Accordingly, all references to the Offer in this Announcement refer to the possible Offer which will only be made if and when the Pre-Condition is satisfied. Shareholders of the Company are advised to exercise caution when dealing in the Shares.

- 1.2. **Transaction.** The Offeror has on 5 September 2014 entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with Ching Ka Lun, Liu Zhi Yuan, Li Jie Hua, Good Moral Technology Limited, China Hongda Holdings Limited and Cherry Equity Partners Limited (collectively, the “**Vendors**”) and Cai Kaoqun, pursuant to which the Offeror shall acquire from the Vendors an aggregate of 178,261,000 issued and paid-up ordinary shares in the capital of the Company, representing 50.6% of the total number of issued shares of the Company, at a consideration of S\$0.0729 per share (the “**Acquisition**”). Completion of the Acquisition is subject to the satisfaction and/or waiver of the pre-conditions (the “**Conditions**”) set out in the Sale and Purchase Agreement.
- 1.3. **Rationale for the Offer.** In accordance with the Code, the Offeror will be required on Completion to make the Offer for all the Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with him.

¹ In this Announcement, unless otherwise stated, all references to the total number of Shares shall be to 352,000,000 Shares as reflected in the Bizfile search extracted from the Accounting and Corporate Regulatory Authority of Singapore on 5 September 2014.

2. PRE-CONDITIONAL OFFER

2.1. **Pre-Condition.** It is a pre-condition (“**Pre-Condition**”) to the making of the Offer that:

- (a) the Conditions are satisfied and/or waived; and
- (b) the completion of the Acquisition (the “**Completion**”) occurs in accordance with the terms and conditions of the Sale and Purchase Agreement and on a date falling 5 Business Days following the satisfaction (or waiver to the extent permitted under the Sale and Purchase Agreement) of the last of the Conditions (or such other date as may be agreed between the parties). “**Business Day**” shall mean a day (other than a Saturday, Sunday or public holiday in Singapore) on which commercial banks are generally open for business in Singapore.

2.2. **Offer Announcement.** If and when the Pre-Condition is satisfied, the Offeror will immediately announce the Offer (the “**Offer Announcement**”). The offer document setting out the terms of the Offer and enclosing the appropriate forms of acceptance of the Offer (the “**Offer Document**”) will thereafter be despatched to the holders of the Offer Shares not earlier than 14 days but not later than 21 days after the date of the Offer Announcement.

However, if the Pre-Condition is not satisfied, the Offer will not be made and the Offeror will issue an announcement confirming that fact as soon as reasonably practicable.

3. DETAILS OF THE OFFER

3.1. **Terms of the Offer.** In accordance with Section 139 of the SFA and Rule 14 of the Code, and subject to the satisfaction of the Pre-Condition and the terms and conditions of the Offer Document, the Offeror will make the Offer for all the Shares other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it (the “**Offer Shares**”) on the following basis:

For each Offer Share: S\$0.0729 in cash (the “Offer Price”).

The Offeror does not intend to revise the Offer Price.

3.2. The Offer Shares will be acquired (a) fully paid, (b) free from any mortgage, debenture, lien, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or similar right, right of first refusal and any other encumbrance or condition whatsoever (“**Encumbrances**”), and (c) with all such rights, benefits, entitlements attached thereto as at the date of this Announcement and hereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the date of this Announcement. **If any dividend, distribution or return of capital is announced, declared, paid or made on or after the date of this Announcement, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital.**

3.3. The Offer will be extended, on the same terms and conditions, to all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any options to subscribe for new Shares granted under the China Kunda Employee Stock Option Scheme (each, an “**Option**”), on or prior to the close of the Offer. For the purposes of the Offer, the expression “**Offer Shares**” shall include the aforesaid Shares.

As at the date of this Announcement, based on the latest information available to the Offeror², there are no Options granted under the China Kunda Employee Stock Option Scheme. Save as disclosed, the Offeror is not aware of any other outstanding convertible securities, warrants, options or derivatives in respect of securities which carry voting rights in the Company.

4. FINANCIAL EVALUATION OF THE OFFER

- 4.1. **Evaluation of the Offer Price.** The Offer Price represents the following premia over or discounts to (as the case may be) the historical traded prices of the Shares:

Description	Share Price (S\$) ⁽¹⁾	Premium over / (Discount to) Share Price ⁽²⁾
(a) Last transacted price per Share on 3 September 2014 (being the last full market day on which Shares were traded prior to the date of this Announcement (the "Last Trading Day"))	0.044	65.68%
(b) Volume weighted average price ("VWAP") of the Shares traded on the Singapore Exchange Securities Trading Limited ("SGX-ST") for the one (1)-week period prior to and including the Last Trading Day	0.0428	70.33%
(c) VWAP of the Shares traded on the SGX-ST for the one (1)-month period prior to and including the Last Trading Day	0.0376	93.88%
(d) VWAP of the Shares traded on the SGX-ST for the three (3)-month period prior to and including the Last Trading Day	0.0358	103.63%
(e) VWAP of the Shares traded on the SGX-ST for the six (6)-month period prior to and including the Last Trading Day	0.0366	99.18%
(f) VWAP of the Shares traded on the SGX-ST for the twelve (12)-month period prior to and including the Last Trading Day	0.0435	67.59%

Notes:

- (1) The figures set out in paragraph 4.1. are based on data extracted from Bloomberg.
(2) Computed based on the Share prices which were rounded to the nearest three (3) decimal places.

- 4.2. **Further Financial Information.** Further information on the financial aspects of the Offer will be set out in the Offer Announcement to be released upon and only if the Pre-Condition is being satisfied and the Offer Document to be despatched to the shareholders in due course thereafter.

5. INFORMATION ON THE OFFEROR

The Offeror is involved in the property industry in Malaysia and has substantial business experience and contacts in the industry.

² Based on the annual report of the Company for the financial year ended 31 March 2014.

6. INFORMATION ON THE COMPANY

- 6.1. **Corporate Information.** The Company is a public company limited by shares incorporated in Singapore on 13 July 2007, and was listed on the Mainboard of the SGX-ST on 9 October 2008.
- 6.2. **Principal Activities.** The principal activity of the Company is that of investment holding. The subsidiaries of the Company are in the business of manufacture and/or sale of moulds and IMD products.
- 6.3. **Board of Directors.** Based on publicly available information, the board of directors of the Company as at the date of this Announcement comprises the following:

Cai Kaoqun (Executive Chairman and CEO)
Yang Jinbiao (Executive Director and COO)
Cai Kaobing (Executive Director)
Hau Khee Wee (Executive Director and CFO)
Ho Chew Thim (Lead Independent Director)
Lim Yit Keong (Independent Director)
Li Zhiqiang (Independent Director)

7. DISCLOSURES

- 7.1. **No Holdings or Dealings.** As at the date of this Announcement, save for the Sale and Purchase Agreement and as disclosed in this Announcement, none of the Offeror and his spouse (a) owns, controls or has agreed to acquire any Shares, securities which carry voting rights in the Company, securities which are convertible into Shares, or rights to subscribe for, or options in respect of, such Shares or securities in the Company (collectively, the “**Securities**”), (b) has dealt for value in any Securities during the six-month period immediately preceding the date of this Announcement, or (c) has received any irrevocable undertaking from any party to accept or reject the Offer.
- 7.2. **Confidentiality.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other persons who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures (if any) will be made in due course subsequently and in the Offer Document.

8. LISTING STATUS

- 8.1. **No Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), if an offeror (which is a corporation) receives valid acceptances pursuant to an offer in respect of not less than 90% of the total number of shares in a company (other than those already held by the offeror, its related corporations or their respective nominees as at the date of the Offer, and excluding treasury shares), the offeror will be entitled to exercise the right to compulsorily acquire all the shares from the shareholders of that company who have not accepted the offer. Section 215(1) of the Companies Act cannot be invoked by a natural person.

The Offeror, being a natural person, is not entitled to exercise the right of compulsory acquisition under Section 215(1) of the Companies Act. It is anyways the intention of the Offeror to maintain the listing status of the Company on the SGX-ST.

- 8.2. **Free Float Requirement.** Under Rule 1105 of the Listing Manual of the SGX-ST (the “**Listing Manual**”), upon the 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 by the Company as treasury shares), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until such time as the SGX-ST is satisfied that at least 10% of the issued Shares (excluding any Shares held by the Company as treasury shares) are held by at least 500 shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding Shares held as treasury shares), thus causing the percentage of issued Shares (excluding Shares held as treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of Shares only at the close of the Offer.

Under Rule 724(1) of the Listing Manual, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as possible, 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 held in public hands to at least 10%, failing which the Company may be delisted.

- 8.3. **Offeror’s Intention.** As it is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST, the Offeror reserves the right to take appropriate actions to procure that at least 10% of the total number of Shares are held by the public in accordance with the rules of the Listing Manual. The Offeror may engage a licensed intermediary to place out some or all of the Offer Shares acquired pursuant to the Offer following the close of the Offer. Further details on any such arrangements will be announced in due course as and when it is appropriate.

9. **CONFIRMATION OF FINANCIAL RESOURCES**

The Bank of East Asia, Limited has confirmed that sufficient financial resources are available to the Offeror to satisfy in full all acceptances in respect of the Offer on the basis of the Offer Price.

10. **OVERSEAS JURISDICTIONS**

- 10.1. This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or purchase 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, if made, will be made solely by the Offer Document and the forms 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.
- 10.2. The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and persons in such jurisdictions in which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.
- 10.3. 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 (“**Restricted Jurisdiction**”), and the Offer will not be made to, nor will the Offer be capable of acceptance by, any person within any Restricted Jurisdiction if the offer to and/or acceptance by such person will violate the laws of the Restricted Jurisdiction. 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.

- 10.4. 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.
- 10.5. The ability of Shareholders who are not resident in Singapore to accept the Offer may be affected by 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.

11. RESPONSIBILITY STATEMENT

The Offeror accepts full responsibility for the accuracy of the information given in this Announcement relating to the Offer and has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement 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 a named source, the sole responsibility of the Offeror has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by
ANG KOK TEONG

5 September 2014

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", "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 the Offeror does not undertake any obligation to update publicly or revise any forward-looking statements.