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## **VOLUNTARY CONDITIONAL CASH OFFER**

by

### **GF SECURITIES (HONG KONG) BROKERAGE LIMITED**

*(Incorporated in Hong Kong with limited liability)*

for and on behalf of

### **ELEC & ELTEK INTERNATIONAL HOLDINGS LIMITED**

*(Company Registration No.: EC 14594)*

*(Incorporated in Bermuda with limited liability)*

to acquire all the Offer Shares of

### **ELEC & ELTEK INTERNATIONAL COMPANY LIMITED**

*(Company Registration No.: 199300005H)*

*(Incorporated in the Republic of Singapore with limited liability)*

## **DEALINGS DISCLOSURE LEVEL OF ACCEPTANCES**

### **1. INTRODUCTION**

Reference is made to (a) the joint announcement dated 3 April 2020 issued by Kingboard Holdings Limited, Elec & Eltek International Holdings Limited (the “**Offeror**”), and Elec & Eltek International Company Limited (“**E&E**” or “**Company**”) in relation to the proposed privatisation of E&E by way of voluntary conditional cash offer by GF Securities (Hong Kong) Brokerage Limited on behalf of the Offeror; (b) the composite offer and response document despatched to the shareholders of E&E on 29 May 2020 (the “**Composite Document**”); (c) the joint announcement dated 19 June 2020 issued by the Offeror and E&E in relation to the Singapore free float requirement; and (d) the joint announcement dated 26 June 2020 issued by the Offeror and E&E in relation to the extension of the Closing Date.

Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as defined in the Composite Document.

## 2. DEALINGS DISCLOSURE

Pursuant to Rule 12.1 of the Singapore Take-over Code, the Offeror wishes to announce that the following dealings in the Shares on the SGX-ST were made by the Offeror's related corporation, Kingboard Investment Limited ("KIL")<sup>1</sup>, on 20 July 2020:

Total number of Shares acquired by KIL by way of open market purchases on the SGX-ST	4,200
Percentage of total number of issued Shares <sup>2</sup> represented by the number of Shares acquired on the SGX-ST	Negligible
Price paid per Share (excluding brokerage commission, clearing fees and goods and services tax)	US\$2.29 per Share on the SGX-ST
Resultant total number of Shares owned, controlled, acquired or agreed to be acquired by the Offeror and the parties acting in concert with it (the " <b>Concert Parties</b> ") <sup>3</sup>	181,567,425
Resultant total percentage of the total number of issued Shares owned, controlled, acquired or agreed to be acquired (including by way of valid acceptances (which have not been withdrawn) of the Offer from Hong Kong Shareholders and Singapore Shareholders) by the Offeror and its Concert Parties	97.14%

## 3. LEVEL OF ACCEPTANCES

Pursuant to Rule 28.1 of the Singapore Take-over Code, the Offeror wishes to announce that:

### 3.1 Acceptances of the Offer from Singapore Shareholders and Hong Kong Shareholders

As at 5.00 p.m. (Singapore time) on 20 July 2020, the Offeror has received, pursuant to the Offer, valid acceptances (which have not been withdrawn) from Singapore Shareholders and Hong Kong Shareholders in respect of 42,643,206 Offer Shares, representing approximately 22.81% of the total number of issued Shares.

<sup>1</sup> The resultant total number of Shares owned or controlled by KIL as at 5.00 p.m. on 20 July 2020 is 12,222,054 Shares, representing 6.54% of the total number of issued Shares of the Company.

<sup>2</sup> All references in this announcement to the total number of issued Shares are based on 186,919,962 Shares in issue as at the date of this announcement. The Company does not have any treasury shares.

<sup>3</sup> This includes valid acceptances (which have not been withdrawn) from Hong Kong Shareholders and Singapore Shareholders received by the Offeror pursuant to the Offer as at 5.00 p.m. on 20 July 2020.

The above-mentioned acceptances include 4,233,200 Offer Shares, representing approximately 2.26% of the total number of issued Shares, tendered by Mr. Cheung Kwok Wing, Mr. Cheung Kwok Wa, Mr. Ho Yin Sang, Mr. Lam Ka Po, Mr. Chang Wing Yiu, and Mr. Cheung Kwok Ping, who are, among others, Concert Parties.

As the Condition (as described in more detail in the Composite Document) has not been satisfied, the Offeror has not, as at the time of this announcement, acquired the Shares to which the above-mentioned acceptances relate.

### **3.2 Shares held before the offer period**

As at 3 April 2020, being the date of the Offer Announcement, (a) the Offeror owned or controlled 90,741,550 Shares representing approximately 48.55% of the total number of issued Shares; and (b) Concert Parties of the Offeror collectively owned or controlled an aggregate of 51,122,069 Shares, representing approximately 27.35% of the total number of issued Shares. Therefore, as at the aforesaid date, the Offeror and the Concert Parties collectively owned or controlled an aggregate of 141,863,619 Shares, representing approximately 75.90% of the total number of issued Shares.

### **3.3 Shares acquired or agreed to be acquired during the offer period**

From the date of the Offer Announcement and up to 5.00 p.m. (Singapore time) on 20 July 2020, save for the acceptances received pursuant to the Offer stated in paragraph 3.1 above and the acquisition by KIL, a related corporation of the Offeror and a member of the Concert Parties, by way of open market purchases on the SGX-ST and the SEHK of an aggregate of 1,293,800 Shares, representing approximately 0.69% of the total number of issued Shares, neither the Offeror nor any of its Concert Parties (as at 5.00 p.m. (Singapore time) on 20 July 2020) has acquired or agreed to acquire any further Shares.

### **3.4 Aggregate holdings**

Accordingly, as at 5.00 p.m. (Singapore time) on 20 July 2020, the Offeror and its Concert Parties owned, controlled or have agreed to acquire (including by way of valid acceptances (which have not been withdrawn) of the Offer from Singapore Shareholders and Hong Kong Shareholders) an aggregate of 181,567,425 Shares, representing approximately 97.14% of the total number of issued Shares.

There are a total of 49,289,543 Disinterested Shares (i.e. Shares other than those already held by the Offeror, its related corporations, or their respective nominees as at the date of the Composite Document and excluding treasury Shares). As at 5.00 p.m. (Singapore time) on 20 July 2020, the total number of Shares acquired or agreed to be acquired (including by way of valid acceptances (which have not been withdrawn) of the Offer from Singapore Shareholders and Hong Kong Shareholders) by the Offeror and its Concert Parties during the offer period represented approximately 89.14% of the total number of Disinterested Shares.

There are a total of 45,056,343 Shares not held by the Offeror and its Concert Parties (“**Non-Concert Party Shares**”) as at the date of the Composite Document. As at 5.00 p.m. (Singapore time) on 20 July 2020, the total number of Non-Concert Party Shares acquired or agreed to be acquired (including by way of valid acceptances (which have not been withdrawn) of the Offer from Singapore Shareholders and Hong Kong Shareholders) by the Offeror and its Concert Parties during the offer period represented approximately 88.12% of the total number of Non-Concert Party Shares.

Notwithstanding the above, as the Condition (as described in more detail in the Composite Document) has not been satisfied and the Shares in respect of which valid acceptances (which have not been withdrawn) from Singapore Shareholders and Hong Kong Shareholders have been received have not been acquired by the Offeror, E&E is, as at the time of this announcement, still compliant with the Singapore Free Float Requirement.

Pursuant to the Condition, the Offeror and its Concert Parties must acquire (including by way of valid acceptances of the Offer) such number of Shares, which together with the Shares owned or controlled by the Offeror and its Concert Parties, would aggregate 182,414,328 Shares, representing 97.59% of the total number of issued Shares, which would entitle the Offeror to compulsorily acquire all the remaining Offer Shares from Shareholders who have not accepted the Offer. As such, the Offeror and its Concert Parties must acquire (including by way of valid acceptances of the Offer) an additional 846,903 Shares not held by the Offeror and its Concert Parties prior to the Closing Date, before satisfying the Condition.

#### **4. CLOSING DATE**

The Offer remains open for acceptance until **4.00 p.m. on 28 July 2020**, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, subject to the rules of the Singapore Take-over Code and the Hong Kong Takeovers Code (“**Closing Date**”).

**The Offer Price will not be increased and the Offeror does not reserve the right to do so.**

#### **5. POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING**

Subject to the satisfaction of the above requirements under the Singapore Companies Act and the Hong Kong Takeovers Code, the Offeror intends to privatise E&E by exercising its right to compulsorily acquire those Offer Shares not acquired by the Offeror under the Offer. If the Offeror decides to exercise such right and completes the compulsory acquisition, E&E will become a direct wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the Shares from SEHK pursuant to Rule 6.15(1) of the SEHK Listing Rules and from SGX-ST pursuant to the SGX-ST Listing Manual.

## 5.1 Compulsory Acquisition under the Singapore Companies Act

If the Offeror exercises its right of compulsory acquisition under the Singapore Companies Act, the Offeror shall, in the prescribed manner under the Singapore Companies Act, deliver a notice (the “**Notice of Compulsory Acquisition**”) to the Shareholders who do not accept the Offer (the “**Non-accepting Shareholders**”) informing them of the Offeror’s intention to acquire the Offer Shares under its right of compulsory acquisition at any time within 2 months from the date the level of acceptances of the Offer reaches the prescribed level under the Singapore Companies Act required for compulsory acquisition. Pursuant to the exercise of the right of compulsory acquisition by the Offeror under the Singapore Companies Act, the Offer Shares held by the Non-accepting Shareholders not acquired by the Offeror under the Offer will be compulsorily acquired by the Offeror at the same net consideration of HK\$17.76 (equivalent to US\$2.29 applying the 3 April Exchange Rate) per Share (subject to the decision made by the Singapore court in the event a Non-accepting Shareholder makes an application to object the compulsory acquisition as described below), on the later of:

- after the expiry of 1 month commencing from the date the Offeror gives the Notice of Compulsory Acquisition;
- in the event a Non-accepting Shareholder requests for a list of Non-accepting Shareholders as described below, then 14 days from the date the list of Non-accepting Shareholders is provided; or
- in the event a Non-accepting Shareholder makes an application to the Singapore court as described below to object to such compulsory acquisition, then until after that application has been disposed of by the Singapore court as heard by registrars or judges in chambers or in open court.

If the Offeror exercises its right of compulsory acquisition under the Singapore Companies Act by serving the Notice of Compulsory Acquisition, a Non-accepting Shareholder is entitled to:

- *request for a list of Non-accepting Shareholders:*

A Non-accepting Shareholder is entitled to require E&E by a demand in writing served on E&E, within 1 month from the date on which the Notice of Compulsory Acquisition is given, to supply the Non-accepting Shareholder with a statement in writing of the names and addresses of all other Non-accepting Shareholders as shown in the register of members of E&E, and the Offeror shall not be entitled or bound to acquire the Offer Shares of the Non-accepting Shareholders until 14 days after the list of Non-accepting Shareholders is provided or until after the court application (if any) as described below has been disposed of by the Singapore court (whichever is later); and/or

- *make an application to the Singapore court:*

A Non-accepting Shareholder is entitled to make an application to the Singapore court by way of originating summons supported by affidavits filed in accordance with the rules of court objecting to such compulsory acquisition and such application shall be made by such Non-accepting Shareholder within 1 month from the date on which the Notice of Compulsory Acquisition is given or 14 days from the date on which the list of Non-accepting Shareholders is provided as aforesaid (whichever is later), and in such a case, the Offeror shall not acquire the Offer Shares held by any of the Non-accepting Shareholders (whether or not such Non-accepting Shareholder makes an application to the Singapore court to object such compulsory acquisition) until after that application has been disposed of by the Singapore court, as heard by registrars or judges in chambers or in open court. In making any such application to the Singapore court, the Non-accepting Shareholder is required to set out its substantive grounds for seeking relief and has the burden of proof to satisfy the court of the merits of its objection.

The Singapore court has full discretion under the Singapore Companies Act in determining whether to grant relief in any such application as well as the type of relief to be granted. In assessing any such application as well as relief to be granted (if any), the Singapore court would take into account, amongst others, the compulsory acquisition being made pursuant to the Offer which is subject to the Singapore Take-over Code and the Hong Kong Takeovers Code, the opinions of the Independent Financial Advisers, and potential prejudice and legal implications to the Offeror arising from any relief granted (including restrictions pertaining to any acquisition at above the Offer Price subsequent to the close of the Offer under the said codes).

## **5.2 Warning**

**In view of the foregoing, in the case of the exercise by the Offeror of its right of compulsory acquisition under the Singapore Companies Act, whether or not any Non-accepting Shareholders requests for a list of Non-accepting Shareholders or makes an application to the Singapore court to object such compulsory acquisition, it will take a longer time for the Non-accepting Shareholders to receive the net consideration as compared to the time required for the Shareholders to receive the net consideration after their acceptance of the Offer and the Offer having become unconditional.**

**Shareholders who are in doubt of their position under the Singapore Companies Act are advised to seek their own independent legal advice.**



### 5.3 Other Information

**If the level of acceptances of the Offer reaches the prescribed level under the Singapore Companies Act required for compulsory acquisition and the requirements of Rule 2.11 of the Hong Kong Takeovers Code are satisfied on the Closing Date, dealings in the Shares will be suspended on SEHK from the Closing Date up to the withdrawal of listing of the Shares from SEHK pursuant to Rule 6.15 of the SEHK Listing Rules. Shareholders should also note that in the event the Condition is satisfied, E&E shall cease to comply with the Singapore Free Float Requirement and an application may be made to the SGX-ST to delist E&E as pursuant to the Offer, the Offeror and the Concert Parties have received acceptances exceeding 90% of the total number of issued Shares such that the percentage of total number of issued Shares held in public hands fall below 10%, and such acceptances comprise at least 75% of the Non-Concert Party Shares, and the Independent Financial Advisers to E&E have opined that the terms of the Offer are fair and reasonable. SGX-ST will accordingly suspend trading of the Shares on the SGX-ST from the Closing Date.**

While it is the intention of the Offeror to privatise E&E, the Offeror's ability to exercise the rights of compulsory acquisition in respect of the Offer Shares is dependent on the level of acceptances of the Offer reaching the prescribed level under the Singapore Companies Act and on the requirements of Rule 2.11 of the Hong Kong Takeovers Code being satisfied.

### 6. **RIGHT OF WITHDRAWAL OF ACCEPTANCE AFTER 14 DAYS FROM THE FIRST CLOSING DATE**

Except as expressly provided in the Composite Document, acceptances of the Offer shall be irrevocable.

Under the Singapore Take-over Code, a Shareholder may withdraw his acceptance after 14 days from the First Closing Date, if the Offer has not by then become unconditional as to acceptances. Such entitlement to withdraw will be exercisable until the Offer becomes or is declared to be unconditional as to acceptances.

Under Rule 17 of the Hong Kong Takeovers Code, an acceptor shall be entitled to withdraw his acceptance after 21 days from the First Closing Date if the Offer has not by then become unconditional as to acceptances.

Both the Singapore Take-over Code and the Hong Kong Takeovers Code provide for an acceptor's right to withdraw his acceptance if the Offer has not become unconditional as to acceptances after the expiry of a period following the First Closing Date. Given that such period is shorter under the Singapore Take-over Code, the requirement under the Singapore Take-over Code would apply and in general, an acceptor would be entitled to withdraw his Offer after 14 days from the First Closing Date, if the Offer has not by then become unconditional as to acceptances.

## **7. DIRECTORS OF THE OFFEROR AND KINGBOARD HOLDINGS**

As at the date of this announcement, Mr. Cheung Kwok Wing, Mr. Chang Wing Yiu, and Mr. Cheung Kwok Ping are the directors of the Offeror. As at the date of this announcement, the board of directors of Kingboard Holdings comprises Mr. Cheung Kwok Wing, Mr. Chang Wing Yiu, Mr. Cheung Kwong Kwan, Mr. Ho Yin Sang, Ms. Stephanie Cheung Wai Lin, Mr. Cheung Ka Shing, and Mr. Chen Maosheng as executive directors; and Mr. Cheung Ming Man, Dr. Chong Kin Ki, Mr. Leung Tai Chiu, and Mr. Chan Wing Kee as independent non-executive directors.

## **8. RESPONSIBILITY STATEMENTS UNDER THE SINGAPORE TAKE-OVER CODE AND THE HONG KONG TAKEOVERS CODE**

The directors of Kingboard Holdings and the Offeror (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement (other than those relating to the E&E Group) are fair and accurate, and that no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading. Where any information in this announcement has been extracted or reproduced from published or publicly available sources or obtained from E&E, the sole responsibility of the directors of Kingboard Holdings and the Offeror has been to ensure, through reasonable enquiries that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement. The directors of Kingboard Holdings and the Offeror jointly and severally accept responsibility accordingly.

The directors of Kingboard Holdings and the Offeror jointly and severally accept full responsibility for the accuracy of information contained in this announcement (other than any information relating to the E&E Group that has been compiled from published sources) 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. As regards the information about the E&E Group contained in this announcement that has been compiled from published sources, the directors of Kingboard Holdings and the Offeror jointly and severally accept full responsibility for the correctness and fairness of its reproduction or presentation.

Issued by  
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