

Beyonics Technology Limited
(Incorporated in Singapore)
(Company Registration No. 199408168G)

Channelview Investment Ltd.
(Incorporated in the British Virgin Islands)
(BVI Company No. 1651122)

JOINT ANNOUNCEMENT

PROPOSED ACQUISITION OF BEYONICS TECHNOLOGY LIMITED BY WAY OF A SCHEME OF ARRANGEMENT

1. Introduction

The respective directors of Beyonics Technology Limited (“**Company**”) and Channelview Investment Ltd. (“**Acquiror**”) are pleased to announce the proposed acquisition (“**Acquisition**”) of the Company by the Acquiror, a special purpose company incorporated in the British Virgin Islands which is indirectly owned by Shaw Kwei & Partners Ltd. (“**SKP**”). The Acquisition will be effected by way of a scheme of arrangement (“**Scheme**”) under Section 210 of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”).

2. Information on the Parties

- 2.1 **The Company.** The Company was incorporated in Singapore on 9 November 1994 as Uraco Holdings Limited and was listed on the Official List of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 30 August 1995. On 9 January 2001, the Company changed its name to Beyonics Technology Limited.

The Beyonics Group (as defined below) is a major player in the electronics manufacturing and precision engineering services landscape in Asia. The Beyonics Group’s business comprises two core manufacturing services divisions, namely, the electronics manufacturing services division and the precision engineering services division. The Beyonics Group provides integrated manufacturing services to original equipment manufacturers and original design manufacturers in various industries such as data storage and enterprise computing, consumer electronics, biomedical diagnostic and therapeutic devices, automotive components, communications and networking and security surveillance applications.

The Beyonics Group has manufacturing facilities in Singapore, Malaysia, Indonesia, Thailand and the People’s Republic of China (“**PRC**”) servicing its key multinational customers.

The Company’s market capitalisation as of the close of market trading on 3 October 2011, being the last full trading day preceding the release of this Joint Announcement, was approximately S\$100.65 million.

As at the date of this Joint Announcement (“**Announcement Date**”), the Company has an issued share capital comprising 535,383,701 issued and paid-up ordinary shares (“**Company Shares**”).

- 2.2 **SKP.** SKP is a fund management firm incorporated as a limited liability exempted company in the Cayman Islands, which specialises in private equity investments in the Greater China region of the PRC, the Hong Kong S.A.R., Taiwan and Singapore, with a focus on companies in a variety of industries, including auto components, electronics manufacturing, food, consumer services, medical equipment, construction materials and logistics management.

For the purpose of the Acquisition, a special purpose company, the Acquiror, has been incorporated on 27 May 2011 under the laws of the British Virgin Islands. The Acquiror is wholly-owned by Bayport Capital Ltd., a limited liability company which is in turn wholly-owned by SKP. The current board of directors of the Acquiror comprises Kyle Arnold Shaw, Jr. (the founder and a director of SKP) and Christoph G. Mueller (a director of SKP).

3. The Acquisition

- 3.1 **Implementation Agreement.** The Company and the Acquiror (each a “**Party**” and collectively, the “**Parties**”) have on the Announcement Date entered into an implementation agreement (“**Implementation Agreement**”) to implement the Scheme. The Acquisition will be effected by way of a scheme of arrangement pursuant to Section 210 of the Companies Act and in accordance with the Singapore Code on Take-overs and Mergers (“**Code**”) and the terms and conditions of the Implementation Agreement. Pursuant to the Scheme:

3.1.1 all the Company Shares held by the shareholders (“**Shareholders**”) of the Company as at a books closure date to be announced will be transferred to the Acquiror; and

3.1.2 in consideration for such a transfer, the Shareholders will receive a cash amount of S\$0.26 (“**Consideration**”) for each Company Share (other than the Set-Off Shares (as defined below)).

For the avoidance of doubt, the Key Personnel (as defined below) will not be entitled to the Consideration in respect of the Set-Off Shares held by each of them respectively.

The aggregate Consideration that is payable to any Shareholder for the Company Shares held by such Shareholder will be rounded down to the nearest whole cent.

The Scheme will also be extended to all Company Shares issued pursuant to the valid exercise of existing options (“**Options**”) granted under the Company’s share option scheme (“**Company Employees’ Share Option Scheme**”) which was approved and adopted at an extraordinary general meeting of the Shareholders held on 26 December 2000.

- 3.2 **No Encumbrances.** Pursuant to the Scheme, the Company Shares will be transferred to the Acquiror fully paid, free from all charges, mortgages, liens, hypothecations, hire purchases, judgments, encumbrances, easements, securities, title retentions, preferential rights, trust arrangements or other security interests (each an “**Encumbrance**”) and

together with all rights, benefits and entitlements attaching thereto as at the Announcement Date and thereafter 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 Announcement Date.

Further information on the terms and conditions upon which the Scheme will be implemented by the Company and the Acquiror will be set out in the document ("**Scheme Document**") to be issued by the Company to the Shareholders containing, *inter alia*, details on the Acquisition.

3.3 **Management Equity Agreement.** It is the intention of SKP and the Acquiror that two of the directors of the Company, namely, Chay Kwong Soon ("**CKS**") and Goh Chan Peng ("**GCP**" and together with CKS, the "**Key Personnel**") will continue to be involved in the business of the Company and its subsidiaries ("**Beyonics Group**"). The Key Personnel have on the Announcement Date entered into a subscription agreement ("**Management Equity Agreement**") with, *inter alia*, the Acquiror pursuant to which the Key Personnel shall subscribe for:

3.3.1 a total of 20,000,000 ordinary shares in the capital of the Acquiror ("**Acquiror Ordinary Shares**") which shall comprise up to 25 per cent. of the total issued ordinary shares in the capital of the Acquiror following completion of the subscription; and

3.3.2 a total of 9,640,316 preference shares in the capital of the Acquiror ("**Acquiror Preference Shares**", and together with the Acquiror Ordinary Shares, the "**Roll-over Acquiror Shares**").

The Acquiror Preference Shares will be non-redeemable preference shares which are *not* convertible into Acquiror Ordinary Shares. A holder of Acquiror Preference Shares will not be entitled to attend and vote at any general meeting of the Acquiror, but he will enjoy similar economic interests as a holder of Acquiror Ordinary Shares, which will include, the right to receive dividends and any payment(s) pursuant to return(s) of capital by the Acquiror.

The obligations of the Key Personnel to subscribe for the Roll-over Acquiror Shares is subject to the Scheme becoming effective and binding in accordance with its terms.

The aggregate subscription price to be paid by the Key Personnel in respect of the Roll-over Acquiror Shares that they will subscribe for ("**Set-Off Amount**") will be set-off in full against the total proceeds which would otherwise be payable by the Acquiror to them as consideration for the Company Shares held by each of them in their (or their nominee's) respective securities accounts maintained with The Central Depository (Pte) Limited ("**Set-Off Shares**") pursuant to the Acquisition. For the avoidance of doubt, the Set-Off Amount does not include the total proceeds which would be payable by the Acquiror to GCP as consideration for the Company Shares held by GCP through a Central Provident Fund ("**CPF**") agent bank under the CPF Investment Scheme ("**CPF Shares**").

The Key Personnel will have to bear the risks associated with the business and financial performance of the Beyonics Group going forward and will have to accept the restricted rights of minority shareholders in a privately held company.

- 3.4 **Delisting.** Upon the Scheme becoming effective and binding, the entire issued share capital of the Company will be owned by the Acquiror and, subject to the approval of the SGX-ST, the Company will be delisted from the Official List of the SGX-ST.
- 3.5 **Switch Option.** Pursuant to the terms of the Implementation Agreement, in the event of a competing offer, the Acquiror shall have the right at its discretion to elect to proceed by way of a voluntary conditional cash offer made pursuant to the Code and made for and on behalf of the Acquiror to acquire all the Company Shares (other than those held by the Acquiror as at the date of such offer) (“**Offer**”) in lieu of proceeding with the Acquisition by way of the Scheme (“**Switch Option**”). In such event, the Acquiror will make the Offer at a consideration per Company Share greater than the Consideration, and conditional only upon an acceptance condition set at only more than 50 per cent. of the Company Shares to which the Offer relates and not conditional on a higher level of acceptances or such higher level of acceptances as the Securities Industry Council (“**SIC**”) may approve. If the Acquiror exercises the Switch Option, the Implementation Agreement shall terminate with effect from the date of announcement of the Offer save for certain surviving provisions. For the avoidance of doubt, if the Acquiror exercises the Switch Option, the Acquiror shall not be entitled to recover from the Company the Fee (as defined below) or any part thereof.

4. **Reasons for the Acquisition**

- 4.1 **Rationale.** SKP has a history of investing in electronic manufacturing companies in Asia needing to restructure operations and finances in order to improve performance. SKP believes that the Company has both a capable management team and diversified operations. Upon completion of the Acquisition, the Company will benefit from eliminating costs and improving profitability. Delisting the Company from the SGX-ST will eliminate all listing, compliance and other related costs associated with continuing listing requirements under the SGX-ST’s Listing Manual. This is likely to enhance productivity and improve the Company’s profitability by reducing costs and allowing the Company to focus on its core business activities. Furthermore, the Company has no demonstrated need for access to capital markets. Since its last issue of new Company Shares undertaken pursuant to a rights issue in May 2005, the Company has not carried out any exercise to raise cash funding on the SGX-ST. It is unlikely that the Company will need to tap the Singapore capital markets for financing needs in the immediate future.

The Scheme provides an opportunity for Shareholders to realise their investment in their Company Shares for cash at a premium to the historical closing prices of the Company Shares. Recent market records show that the Company Shares have been generally thinly traded on the SGX-ST and with sporadic trading volume, which has inhibited the orderly selling of Company Shares in the stock market. For the six-month period prior to 3 October 2011, the average trading volume for the market days on which the Company

Shares were traded was 861,151 Company Shares per day, representing approximately 0.16 per cent. of the total number of Company Shares¹.

- 4.2 **Future Plans.** SKP intends to work with the Company's management team to identify, develop and execute appropriate transformation strategies which, if successfully implemented, may enable the Company to better utilise its resources in achieving a different growth trajectory and profit performance.

5. Analysis of the Consideration

The Consideration for each Company Share is S\$0.26 in cash.

The implied premium of the Consideration compared to the prices of the Company Shares is as follows:

	Company Share Price	Consideration per Company Share	Premium to Company Share Price	
	(S\$)	(S\$)	(S\$)	(%)
Closing price on 3 October 2011 ⁽¹⁾	0.1880	0.2600	0.0720	38.3
1 calendar month VWAP ⁽²⁾ up to 3 October 2011 ⁽¹⁾	0.1770	0.2600	0.0830	46.9
3 calendar months VWAP ⁽²⁾ up to 3 October 2011 ⁽¹⁾	0.2047	0.2600	0.0553	27.0
6 calendar months VWAP ⁽²⁾ up to 3 October 2011 ⁽¹⁾	0.2004	0.2600	0.0596	29.7
9 calendar months VWAP ⁽²⁾ up to 3 October 2011 ⁽¹⁾	0.2019	0.2600	0.0581	28.8

Source: Bloomberg

Notes:

(1) Being the last full trading day preceding the release of this Joint Announcement.

(2) Volume weighted average price ("VWAP").

¹ In this Joint Announcement, all references to the total number of Company Shares shall, unless otherwise stated, be a reference to a total of 535,383,701 Company Shares.

6. Conditions Precedent

The Scheme is conditional upon the satisfaction of a number of conditions precedent ("**Conditions Precedent**") which are set out in Schedule 1 to this Joint Announcement.

7. Termination of the Implementation Agreement

7.1 **Termination.** The Implementation Agreement provides, *inter alia*, that the Implementation Agreement may be terminated at any time on or prior to the date ("**Record Date**") falling on the Business Day (as defined in the Implementation Agreement) immediately preceding the date on which the Scheme becomes effective in accordance with its terms ("**Effective Date**") provided that the Party seeking termination does so only after it has had prior consultation with the SIC:

7.1.1 **Court Order:** by either the Acquiror or the Company, if any court of competent jurisdiction or Governmental Agency (as defined in the Implementation Agreement) has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, the Acquisition or any part thereof, or has refused to do anything necessary to permit the Scheme, the Acquisition or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;

7.1.2 **Shareholders' Approvals:** by the Acquiror or the Company, if the resolutions submitted to the meeting of the Shareholders to be convened by the High Court of the Republic of Singapore ("**Court**") to approve the Scheme and any adjournment thereof ("**Scheme Meeting**"), are not approved (without amendment) by the requisite majorities; or

7.1.3 **Breach:** by either (a) the Acquiror, if the Company is in material breach of any provision of the Implementation Agreement or has failed to perform and comply in all respects with any of the matters referred to in clause 3.1.6 of the Implementation Agreement on or prior to the Record Date, or (b) the Company, if the Acquiror is in material breach of any provision of the Implementation Agreement or has failed to perform and comply in all respects with any of the matters referred to in clause 3.1.7 of the Implementation Agreement on or prior to the Record Date, provided that either the Acquiror or the Company, as the case may be, has given written notice to the other Party of its intention to terminate the Implementation Agreement. In this circumstance, the Implementation Agreement shall be terminated on the date falling five Business Days after the date of such notice of termination, provided, in each case, that no Party may terminate the Implementation Agreement pursuant to the relevant breaches of the Implementation Agreement if such Party is in material and continuing breach of any provision of the Implementation Agreement. For the purposes of the Implementation Agreement, a matter is "material" if it results or would result in a Material Adverse Event (as defined in paragraph 8 of Schedule 1 to this Joint Announcement).

7.2 **Non-fulfilment of Conditions Precedent.** Notwithstanding anything contained in the Implementation Agreement, the Implementation Agreement will terminate if any of the Conditions Precedent has not been satisfied (or, where applicable, has not been waived) by 31 March 2012 (or such other date as the Parties may agree in writing) except that:

7.2.1 in the event of any non-fulfilment of the Conditions Precedent in paragraph 5 (in relation to Prescribed Occurrences (as defined below) relating to the Beyonics Group), paragraph 6 (in relation to representations and warranties provided by the Company), paragraph 8 (in relation to a Material Adverse Event) and paragraph 10 (in relation to major customers and major suppliers) of Schedule 1 to this Joint Announcement, the Acquiror can only rely on such non-fulfilment of any such Condition Precedent to terminate the Implementation Agreement with the prior consultation of the SIC; and

7.2.2 in the event of any non-fulfilment of the Conditions Precedent in paragraph 5 (in relation to Prescribed Occurrences relating to the Acquiror) and paragraph 7 (in relation to representations and warranties provided by the Acquiror) of Schedule 1 to this Joint Announcement, the Company can only rely on such non-fulfilment of any such Condition Precedent to terminate the Implementation Agreement with the prior consultation of the SIC.

A list of prescribed occurrences ("**Prescribed Occurrences**") is set out in Schedule 2 to this Joint Announcement.

7.3 **Effect of Termination.** In the event of termination of the Implementation Agreement by either the Acquiror or the Company pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (except for the provisions relating to confidentiality, costs and expenses and governing law) and there shall be no liability on the part of either Party except that in the case of a breach or non-compliance by the Company of its obligations as set out in clause 6.2 of the Implementation Agreement (collectively, the "**Specific Obligations**"), the Acquiror shall, in addition to the right to terminate the Implementation Agreement, be entitled to recover from the Company and the Company shall fully compensate the Acquiror for all the costs and expenses incurred by or on behalf of the Acquiror in connection with the Acquisition (including without limitation, the fees and disbursements of counsel, auditors and advisers engaged by or on behalf of the Acquiror in connection with the Acquisition and any costs and expenses incurred by the Acquiror or its affiliates in connection with obtaining finance from any third party in respect of the Acquisition), subject to a maximum amount of S\$1 million (one million Singapore dollars) ("**Fee**"). Notwithstanding the foregoing, the Company shall not be required to compensate the Acquiror the Fee or any part thereof in the event such compensation does not comply with any requirements prescribed by the SIC in relation to the Fee.

7.4 **Specific Obligations.** The Specific Obligations include, *inter alia*, (i) the release of this Joint Announcement, jointly with the Acquiror, on the date of the Implementation Agreement; (ii) the preparation and despatch of the Scheme Document in compliance with all applicable laws and regulations; (iii) subject to obtaining the approval of the SGX-ST, the application to the Court for order(s) convening the Scheme Meeting and the convening

of the Scheme Meeting; and (iv) following the grant of the court order by the Court sanctioning the Scheme, as soon as practicable, delivering the same to the Accounting and Corporate Regulatory Authority (“ACRA”) for registration.

8. The Options Proposal

8.1 **Outstanding Options.** As at the Announcement Date, there are 27,719,623 outstanding Options entitling holders of such Options (“**Optionholders**”) to subscribe for a total of 27,719,623 Company Shares. The exercise prices of these outstanding Options range from S\$0.2550 to S\$0.5698 and such outstanding Options have exercise periods ranging from 15 August 2003 to 4 May 2018.

8.2 **Options Proposal.** Under the rules of the Company Employees’ Share Option Scheme, the Options are not freely transferable by the Optionholders. In view of this restriction, the Scheme will not be extended to the Optionholders. Instead, the Acquiror will make a proposal (“**Options Proposal**”) that subject to:

8.2.1 the Scheme becoming effective and binding; and

8.2.2 the relevant Options continuing to be exercisable into Company Shares as at the Effective Date,

the Acquiror will pay the Optionholders a cash amount for each Option (determined as provided below) (“**Employee Option Price**”), in consideration of such Optionholders agreeing:

- (i) not to exercise all or any of such Options into new Company Shares; and
- (ii) not to exercise all or any of their other rights as Optionholders in respect of such Options,

in each case from the date of their acceptance of the Options Proposal to the respective dates of expiry of such Options.

8.3 **Employee Option Price.** The Employee Option Price is calculated on a “see-through basis”. In other words, the Employee Option Price in relation to any Company Share under an Option is equal to the amount (if positive) of the Consideration less the exercise price of that Company Share under the Option. If the exercise price of a Company Share under an Option is equal to or more than the Consideration, the Employee Option Price for each such Option will be the nominal amount of S\$0.001.

8.4 **Further Details of the Options Proposal.** Details of the Options Proposal will be despatched to the Optionholders not later than the despatch of the Scheme Document to the Shareholders.

9. Irrevocable Undertakings

9.1 **Undertaking Shareholders.** Certain Shareholders (“**Undertaking Shareholders**”) have each given separate irrevocable undertakings to the Acquiror (collectively, the “**Irrevocable Undertakings**”) to, *inter alia*, vote, or procure the voting of, the Company Shares set out in the respective Irrevocable Undertakings, in favour of the Scheme at the Scheme Meeting, on and subject to the terms set out in their respective Irrevocable Undertakings.

If the Acquiror exercises the Switch Option, and the value of the consideration per Company Share under such Offer exceeds the value of the consideration per Company Share under the Superior Competing Offer², the Undertaking Shareholders will, subject to the terms and conditions set out in their respective Irrevocable Undertakings, undertake to accept or procure the acceptance of the Offer in respect of all the Company Shares set out in the respective Irrevocable Undertakings, and their obligations under the Irrevocable Undertakings will apply *mutatis mutandis* to the Offer.

A list of the Undertaking Shareholders is set out in Schedule 3 to this Joint Announcement.

9.2 **Termination.** The Irrevocable Undertakings will terminate and cease to have any effect on the earliest of:

- 9.2.1 6 October 2011, if this Joint Announcement is not released by or on behalf of the Company and the Acquiror by 11.59 p.m. (Singapore time) on 5 October 2011;
- 9.2.2 the date the Scheme lapses or does not become effective for any reason other than a breach by the relevant Undertaking Shareholder of any of his obligations set forth in his Irrevocable Undertaking and other than as a result of the exercise of the Switch Option by the Acquiror;
- 9.2.3 the date the Scheme becomes effective in accordance with its terms or in the case where the Acquiror exercises the Switch Option, the earlier of the date the Offer lapses or is withdrawn without having become unconditional in all respects and the successful completion of the Offer;
- 9.2.4 the Matching Deadline³, if the Acquiror does not publicly announce the Offer or revision to the Offer, as the case may be, by 11.59 p.m. (Singapore time) on the Matching Deadline; or

² “**Superior Competing Offer**” means a general offer made pursuant to the Code for all the Company Shares and any further revisions to such offer (i) which is in cash and where the consideration per Company Share at the time the firm intention to make such general offer is publicly announced is more than 115 per cent. of the value of the consideration per Company Share available under the Scheme (or in the case where the Acquiror has exercised the Switch Option, the consideration per Company Share available under the Offer) at that time and (ii) which is only conditional upon an acceptance condition set at more than 50 per cent. of the Company Shares and is not conditional on a higher level of acceptances or any other conditions.

³ “**Matching Deadline**” means 11.59 p.m. on the twentieth market day after the day on which the firm intention to make a Superior Competing Offer is publicly announced or revised, as the case may be.

9.2.5 the date on which a competing offer (which, for the avoidance of doubt, includes a Superior Competing Offer) is declared unconditional as to acceptances.

10. Approvals Required

10.1 **Scheme Meeting.** The Scheme will require, *inter alia*, the following approvals:

10.1.1 the approval of the Scheme by a majority in number of the Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than 75 per cent. in value of the Company Shares voted at the Scheme Meeting; and

10.1.2 the sanction of the Scheme by the Court.

In addition, the Scheme will only become effective if all the Conditions Precedent specified in the Implementation Agreement have been satisfied in accordance with the Implementation Agreement and a copy of the order of the Court has been lodged with ACRA.

10.2 **SIC.** The SIC has confirmed, *inter alia*, that the Scheme is exempted from certain provisions of the Code, subject to the following conditions:

10.2.1 the Acquiror and its concert parties abstain from voting on the proposed Scheme;

10.2.2 the Acquiror and its concert parties abstain from making a recommendation to the Shareholders on the proposed Scheme; and

10.2.3 the Company appoints an independent financial adviser to advise the Shareholders on the Scheme.

11. Confirmation of Financial Resources

DBS Bank Ltd, as a financing bank (but not as a financial adviser) to the Acquiror, confirms that the Acquiror has sufficient financial resources to undertake and complete the Acquisition.

12. Financial Adviser to the Company

The Company has appointed PricewaterhouseCoopers Corporate Finance Pte Limited to act as the financial adviser to the Company in connection with the Acquisition and the Scheme.

13. Independent Financial Adviser

The directors of the Company who are considered independent for the purposes of the Acquisition and the Scheme ("**Independent Directors**") will be appointing an independent financial adviser ("**IFA**") to advise them for the purpose of making a recommendation to the Shareholders in connection with the Scheme. Full details of the Scheme including the

recommendation of the Independent Directors along with the formal opinion of the IFA (“**IFA Letter**”) will be included in the Scheme Document.

14. Scheme Document

The Scheme Document containing full details of the Scheme (including the recommendation of the Independent Directors along with the IFA Letter) and giving notice of the Scheme Meeting to approve the Scheme will be despatched to Shareholders in due course.

In the meantime, Shareholders are advised to refrain from taking any action in relation to their Company Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Directors on the Scheme as well as the IFA Letter set out in the Scheme Document.

15. Other Information

15.1 Disclosures of Interest

15.1.1 Company

Save as disclosed in this Joint Announcement, no director or substantial shareholder of the Company has any interest in the Scheme (other than by reason only of being a Shareholder or director of the Company). As noted in paragraph 3.3 above, the Key Personnel have entered into the Management Equity Agreement for the subscription of the Roll-over Acquiror Shares, the aggregate subscription price for which will be set-off against the Consideration payable for the Set-Off Shares. In addition, under paragraph 9 above, the Undertaking Shareholders have given Irrevocable Undertakings to, *inter alia*, vote their respective Company Shares in favour of the Scheme.

15.1.2 Acquiror

As at the Announcement Date, the Acquiror and parties who are acting in concert with the Acquiror (“**Acquiror Concert Parties**”) collectively own 714,000 Company Shares, representing approximately 0.13 per cent. of the total number of Company Shares.

Save as disclosed in this Joint Announcement, none of (a) the Acquiror and (b) the Acquiror Concert Parties:

- (i) owns, controls or has agreed to acquire any (1) Company Shares, (2) Options, (3) securities which carry voting rights in the Company, (4) securities which are convertible into Company Shares or securities which carry voting rights in the Company, or (5) rights to subscribe for, or options in respect of, such Company Shares or securities (collectively, the “**Company Securities**”), as at the Announcement Date;

- (ii) has dealt for value in any Company Securities during the three-month period immediately preceding the Announcement Date; or
- (iii) has, as at the Announcement Date, received any irrevocable undertaking from any party (other than the Undertaking Shareholders) to vote in favour of the Scheme at the Scheme Meeting.

15.2 **Directors' Service Contracts.** As at the Announcement Date, there is no service contract with any director or any person proposed to be appointed as a director of the Company and/or the Acquiror in connection with the Scheme.

15.3 **Overseas Shareholders.** The applicability of the Scheme to persons not resident in Singapore may be affected by the laws of the relevant jurisdiction. Shareholders who are not resident in Singapore should keep themselves informed of, and observe, any applicable restrictions or prohibitions. Further details in relation to overseas Shareholders will be contained in the Scheme Document.

15.4 **Documents for Inspection.** Copies of the Implementation Agreement, the Irrevocable Undertakings and the Management Equity Agreement will be made available for inspection during normal business hours at the registered office of the Company from the Announcement Date up until the Effective Date.

16. Responsibility Statements

16.1 Company

The directors of the Company (including those who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement are fair and accurate and no material facts have been omitted from this Joint Announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or publicly available sources, the sole responsibility of the directors of the Company has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of the Company do not accept responsibility for any information relating to or opinions expressed by SKP or the Acquiror.

16.2 Acquiror

The directors of the Acquiror (including those who may have delegated detailed supervision of the preparation of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and the opinions expressed in this Joint Announcement are fair and accurate and no material facts have been omitted from this Joint Announcement, and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or publicly available sources, the sole responsibility of the directors of the Acquiror has been to ensure that, through reasonable enquiries, such

information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of the Acquiror do not accept any responsibility for any information relating to or opinions expressed by the Company.

By order of the Board

Beyonics Technology Limited

5 October 2011

Any inquiries relating to this Joint Announcement, the Acquisition or the Scheme should be directed to the following:

PricewaterhouseCoopers Corporate Finance Pte Limited

Rohit Sen

Associate Director

T: +65 6236 4231

rohit.sen@sg.pwc.com

By order of the Board

Channelview Investment Ltd.

Schedule 1

Conditions Precedent

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Company during normal business hours until the Effective Date.

The Acquisition is conditional upon:

1. **Scheme:** the approval of the Scheme by the Shareholders in compliance with the requirements of Section 210(3) of the Companies Act;
2. **Scheme Court Order:** the grant of the Scheme Court Order by the Court and such Scheme Court Order having become final;
3. **ACRA Registration:** the registration of the Scheme Court Order with ACRA;
4. **Regulatory Approvals:** the receipt of all Regulatory Approvals prior to the Record Date, and such approvals not being revoked or withdrawn on or before the Record Date, including without limitation, the following:
 - (i) confirmation from the SIC that Rules 14, 15, 16, 17, 20.1, 21, 22 and Note 1(b) to Rule 19 of the Code shall not apply to the Scheme subject to any conditions the SIC may deem fit to impose; and
 - (ii) the approval-in-principle from the SGX-ST of the Scheme Document and for the proposed delisting of the Company.
5. **No Prescribed Occurrence:** between the date of the Implementation Agreement and the Record Date, no Prescribed Occurrence in relation to the Beyonics Group or the Acquiror, as the case may be, occurs other than as required by the Implementation Agreement or the Acquisition;
6. **Company Representations, Warranties and Covenants:**
 - (i) the representations and warranties of the Company set out in the Implementation Agreement that:
 - (a) are qualified as to materiality being true and correct; and
 - (b) are not qualified as to materiality being true and correct in all material respects,

in each case as of the date of the Implementation Agreement and as of the Record Date as though made on and as of that date except to the extent any such

representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and

- (ii) the Company shall have, as of the Record Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Record Date;

7. Acquiror Representations, Warranties and Covenants:

- (i) the representations and warranties of the Acquiror set out in the Implementation Agreement that:

- (a) are qualified as to materiality being true and correct; and

- (b) are not qualified as to materiality being true and correct in all material respects,

in each case as of the date of the Implementation Agreement and as of the Record Date as though made on and as of that date except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date); and

- (ii) the Acquiror shall have, as of the Record Date, performed and complied in all material respects with all covenants and agreements contained in the Implementation Agreement which are required to be performed by or complied with by it, on or prior to the Record Date;

- 8. Material Adverse Event:** there being no event occurring from the Announcement Date which has or have the effect of causing a diminution in the consolidated net tangible asset value of the Company to an amount below S\$175 million as reflected in the later of (i) the latest publicly released consolidated unaudited financial statement of the Company prior to the Record Date; or (ii) the consolidated unaudited management balance sheet (prepared in accordance with generally accepted accounting principles in Singapore) as at the calendar month-end at least 15 days prior to the Record Date, provided that any diminution in value of any item of the assets or increase in value of any item of the liabilities of the Beyonics Group arising from currency translation shall not be taken into account (“**Material Adverse Event**”);

- 9. No legal or regulatory restraint:** between the date of the Implementation Agreement and up to the Record Date, no injunction or other order being issued by any Governmental Agency or by any court of competent jurisdiction or other legal or regulatory restraint, prohibition or condition preventing the consummation of the Acquisition or the implementation of the Scheme or proposed transactions relating to the Scheme, being in effect; and

10. **Major Customers and Major Suppliers:** between the Announcement Date and the Record Date, there being no loss of any Major Customer (as defined in the Implementation Agreement) or Major Supplier (as defined in the Implementation Agreement) (other than by reason of a Group Company having terminated such relationship in writing) nor any written notice given by any Major Customer or Major Supplier that it wishes to cease being a customer of, or supplier to, the Beyonics Group.

Schedule 2

Prescribed Occurrences

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Company during normal business hours until the Effective Date.

For the purpose of this Joint Announcement, “**Prescribed Occurrence**”, in relation to the Beyonics Group or the Acquiror, as the case may be, means any of the following:

1. **Conversion of Company Shares:** the Company converting all or any of its shares into a larger or smaller number of shares;
2. **Share Buy-back:** the Company entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the Companies Act or the equivalent companies or securities legislation;
3. **Reduction of Share Capital:** the Company resolving to reduce its share capital in any way;
4. **Issuance of Debt Securities:** the Company (or any subsidiary of the Company), issuing, or agreeing to issue, convertible notes or other debt securities;
5. **Injunctions:** an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by either the Company or the Acquiror;
6. **Resolution for Winding Up:** the Company (or any subsidiary of the Company) or the Acquiror resolving that it be wound up;
7. **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of the Company (or any subsidiary of the Company) or the Acquiror;
8. **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of the Company (or of any subsidiary of the Company) or the Acquiror;
9. **Composition:** the Company (or any subsidiary of the Company) or the Acquiror entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
10. **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of the Company (or of any subsidiary of the Company) or the Acquiror;

11. **Insolvency:** the Company (or any subsidiary of the Company) or the Acquiror becoming or being deemed by law or a court to be insolvent or stops or suspends or threatens to stop or suspend payment of its debts;
12. **Cessation of Business:** the Company (or any subsidiary of the Company) or the Acquiror ceases or threatens to cease for any reason to carry on business in the usual course; or
13. **Analogous Event:** any event occurs which, under the laws of any jurisdiction, has an analogous or equivalent effect to any of the foregoing event(s).

Schedule 3

Undertaking Shareholders

Name of Undertaking Shareholder	Total Number of Company Shares held	Percentage (%)
Chay Kwong Soon	85,126,392	15.90
Goh Chan Peng	21,858,000	4.08
Total	106,984,392	19.98