

MANDATORY CONDITIONAL CASH OFFER

by

JAMES HONG GEE HO

to acquire all the issued ordinary shares of S\$0.05 each in the capital of

GREATRONIC LIMITED

(Incorporated in the Republic of Singapore on 18 April 1975)
(Company Registration Number: 197500621N)

other than those already owned, controlled or agreed to be acquired by
James Hong Gee Ho and any party acting in concert with him



OMEGA CAPITAL LIMITED
FINANCIAL ADVISER TO THE OFFEROR

1. Introduction

James Hong Gee Ho ("James Hong Gee Ho" or the "Offeror") wishes to announce that he has today acquired 64,944,490 ordinary shares of S\$0.05 each (the "Sale Shares") in the capital of Greatronic Limited ("Greatronic") from Greatlink Electronics Co., Ltd ("Greatlink") pursuant to a sale and purchase agreement dated 24 June 2005 (the "Sale and Purchase Agreement") between James Hong Gee Ho, as purchaser, and Greatlink, as vendor (the "Acquisition"). The Sale and Purchase Agreement was entered into pursuant to an exclusivity agreement dated 22 June 2005 between James Hong Gee Ho and Greatlink (the "Exclusivity Agreement"). The Exclusivity Agreement was announced by Greatronic on 22 June 2005.

The aggregate consideration for the Acquisition is S\$974,167.35 or S\$0.015 per Sale Share and was arrived at on a willing-buyer and willing-seller basis taking into account, *inter alia*, the market value of the Sale Shares prior to the suspension of the trading of the Sale Shares on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

As at the date of this announcement, neither the Offeror nor any party acting in concert with him holds any ordinary shares of S\$0.05 each (the "Shares") in Greatronic. Upon completion of the Acquisition, the Offeror will own an aggregate of 64,944,490 Shares, representing approximately 47.25% of the voting rights of Greatronic as at the date of this announcement.

2. The Offer

In accordance with Rule 14.1(a) of The Singapore Code on Take-overs and Mergers (the "Code"), the Offeror will make a mandatory conditional cash offer (the "Offer") for all the remaining Shares in issue not already owned, controlled or agreed to be acquired by the Offeror and any party acting in concert with him (collectively the "Concert Party Group") (the "Offer Shares") on the following basis: -

- (a) Offer Price : S\$0.015 in cash for each Offer Share
- (b) Save for the Acquisition, the Concert Party Group did not acquire or deal in any Shares in the 6-month period immediately preceding the date of this announcement. Accordingly, the Offer Price represents the highest price to be paid by the Concert Party Group for the outright purchase of the Sale Shares in the 6-month period immediately preceding the date of this announcement.
- (c) The Offer Shares are to be acquired (i) fully-paid, (ii) free from all and any types of liens, equities, charges, pledges and other encumbrances, rights of pre-emption and any other

third party rights or interests of any nature whatsoever, and (iii) together with all rights, benefits and entitlements attached thereto as at the date of the this announcement and hereafter attaching thereto, including all dividends, rights and other distributions (if any) which may be declared, paid or made thereon by Greatronic on or after the date of this announcement.

3. Conditional Offer

The Offer is only conditional upon the Offeror having received valid acceptances in respect of such number of Offer Shares which, when taken together with Shares owned, controlled or agreed to be acquired by the Concert Party Group (either before or during the Offer), will result in the Concert Party Group holding Shares carrying more than 50% of the voting rights attributable to the issued share capital of Greatronic.

4. Irrevocable Undertaking or Commitment

As at the date of this announcement, neither the Offeror nor any party acting in concert with him has received any irrevocable undertaking or commitment from any party to accept or reject the Offer.

5. Information on the Offeror

The Offeror is a Singaporean aged 38. He holds a Bachelor of Arts in Political Science and Economics from the National University of Singapore. He is experienced in strategic investments and business development in South-east Asia and China. The Offeror was a director of MPH Online.com Pte Ltd, Circlecom Limited (a company listed on the Australian Stock Exchange), T G Securities Ltd (a company listed on the Hong Kong Exchange) and China Entertainment Sports Ltd. (a company listed on the SGX-ST). He is currently a board member of several private and public companies including Sunlight Group Hldg Ltd and Adroit Innovations Limited which are listed on the SGX-ST.

6. Rationale for the Offer

The Offer is made by the Offeror to comply with the requirements of the Code. Regardless of the outcome of the Offer, the Offeror has become the controlling shareholder of Greatronic.

It is the intention of the Offeror to preserve the listing status of Greatronic. Accordingly, the Offeror does not intend to exercise any right of compulsory acquisition under Section 215 of the Companies Act (Cap 50) in the event that he receives acceptances pursuant to the Offer representing 90% or more of the Shares.

In the event that the Concert Party Group, as a result of the Offer or otherwise, owns or controls more than 90% of the issued share capital of Greatronic, the Offeror will announce this to the SGX-ST. Pursuant to Rule 1105 of the Listing Manual of the SGX-ST, the SGX-ST may suspend the listing of the Shares until it is satisfied that at least 10% of the Shares are held by no less than 500 members of the public.

7. Benchmarking the Offer

Pursuant to the announcements made by Greatronic on 30 April 2005 and 3 May 2005, the trading of the Shares on the SGX-ST has been suspended until further notice. As such, the Offer Price of S\$0.015 for each Offer Share represents: -

- (a) a discount of approximately 25.00% to the last transacted price of S\$0.020 per Share on the SGX-ST on 29 April 2005, being the latest trading date prior to this announcement;

- (b) a discount of approximately 28.57% to the volume-weighted average of the last transacted prices of S\$0.021 per Share on the SGX-ST for the 1-month period prior to but including 29 April 2005 being the latest trading date prior to this announcement; and
- (c) a discount of approximately 61.54% to the volume-weighted average of the last transacted prices of S\$0.039 per Share on the SGX-ST for the 6-month period prior to but including 29 April 2005 being the latest trading date prior to this announcement.

8. Disclosure of Shareholdings and Dealings

As at the date of this announcement, save for the Acquisition, neither the Offeror nor any party acting in concert with him (a) owns, controls or has agreed to acquire any Shares or securities which carry voting rights in Greatronic or are convertible into Shares or securities which carry voting rights in Greatronic or rights to subscribe for or options in respect of Shares or such securities, or (b) has dealt for value in any Shares in the 6-month period immediately preceding the date of this announcement.

The Offer Price is the highest price paid by the Concert Party Group for Shares acquired during the offer period and within the 6-month period immediately preceding the date of this announcement.

9. Confirmation of Financial Resources

Omega Capital Limited confirms that the Offeror has sufficient financial resources to satisfy the full acceptance of the Offer by holders of the Offer Shares.

10. Offer Document

The offer document setting out the terms and conditions of the Offer and enclosing a Form of Acceptance and Authorisation and/or a Form of Acceptance and Transfer will be despatched to holders of Offer Shares not earlier than 14 days and not later than 21 days from the date of this announcement. In the event that the suspension on the trading of the Shares on the SGX-ST is lifted, shareholders of Greatronic are advised to exercise caution when dealing in the Shares.

11. Responsibility Statement

The Offeror has taken all reasonable care to ensure that the facts stated and opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement. The Offeror accepts responsibility accordingly.

Where any information has been extracted from published or otherwise publicly available sources or obtained from Greatronic and/or Greatlink, the sole responsibility of the Offeror is to ensure 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

James Hong Gee Ho
24 June 2005