



ARGONAUT

The Natural Choice in Resources

TAKEOVER ANNOUNCEMENT

14 July 2014

To the Company Announcements Office

ASX Limited

For immediate release to market

On market takeover bid by Suntarget (Hong Kong) Trading Co Limited, a wholly owned subsidiary of Ningbo Xianfeng New Material Co., LTD, for fully paid ordinary shares in the capital of Kresta Holdings Limited

On 9 June 2014, Suntarget (Hong Kong) Trading Co Limited (**Suntarget**), a wholly owned subsidiary of Ningbo Xianfeng New Material Co., LTD (**APLUS**), announced its intention, subject to the satisfaction of certain conditions, to make an unconditional on market takeover offer for all of the fully paid ordinary shares in the capital of Kresta Holdings Limited (**Kresta**) which are listed for quotation on the Australian Securities Exchange (**ASX**) and are not already owned by Suntarget and its associates. All of these conditions have now been satisfied or waived.

Argonaut Securities Pty Ltd ABN 72 108 330 650 (**Argonaut**) announces that Argonaut will, on behalf of Suntarget pursuant to section 635 of the *Corporations Act 2001* (Cth) (the **Corporations Act**), offer to acquire on market at a price of \$0.23 per share all of the fully paid ordinary shares in the capital of Kresta which are listed for quotation on ASX that exist during the Offer Period (as defined below) (**Kresta Shares**) which Suntarget and its associates do not already own (**Offer**).

From the date and time of this announcement and ending at close of trading on ASX on 29 August 2014, Argonaut (on behalf of Suntarget) will purchase at the Offer Price every Kresta Share offered for sale to Argonaut on market, up to a maximum of 120,381,308 Kresta Shares (being all the Kresta Shares not already owned by Suntarget and its associates).

Terms of the Offer

The key terms of the Offer are:

1. It is an on-market and unconditional offer of \$0.23 per Kresta Share and the consideration will be paid by way of cash.
2. Argonaut will purchase Kresta Shares offered to Argonaut for sale on market from today at the Offer Price until the conclusion of the Offer Period (defined below).
3. The Offer Period may be extended and the Offer Price may be increased in accordance with the Corporations Act.

Suntarget has appointed and instructed Argonaut to purchase all Kresta Shares that exist or will exist from today until the conclusion of the Offer Period, which are not already owned by Suntarget and its associates, on Suntarget's behalf on market during the official trading days (**Trading Days**) of ASX.

Settlement and Brokerage

Payment for Kresta Shares sold to Suntarget under the Offer will be made on a T+3 settlement basis in accordance with the ASX Settlement Operating Rules.

As the Offer will only be capable of acceptance by Kresta Shareholders selling through brokers which are participating organisations of ASX, all Kresta Shares to be purchased by Suntarget will be purchased on-market only during Trading Days.

Any brokerage charged by brokers acting for Kresta Shareholders wishing to sell their Kresta Share will be the sole responsibility of those Kresta Shareholders.

Offer Period

Argonaut or its agent will stand in the market on behalf of Suntarget and purchase Kresta Shares offered to Argonaut for sale at the Offer Price from the date of this announcement. The Offer will be made from the period commencing 29 July 2014 (being the first trading day after the end of 14 days after the date of this announcement) and ending on 29 August 2014 (**Offer Period**) unless extended by Suntarget pursuant to the Corporations Act.

Suntarget reserves the right to withdraw unaccepted Offers in the circumstances permitted by, and in accordance with, Part 6.7 of the Corporations Act at any time before the end of the Offer Period.

Bidder's Statement

In accordance with section 635 of the Corporations Act, a Bidder's Statement will be served on Kresta and lodged with ASX and the Australian Securities and Investments Commission today. A copy of the Bidder's Statement will also be sent to Kresta Shareholders before commencement of the Offer Period.

Kresta Shares

The Kresta Shares which are the subject of the Offer are all the fully paid ordinary shares in the capital of Kresta Holdings Limited which Suntarget and its associates do not already have a

relevant interest in at the date of the Bidder's Statement or such other Kresta Shares which are issued during the Offer Period.

Immediately before making this announcement:

- Suntarget is aware that there are 150,258,518 Kresta Shares on issue, all of which are quoted on ASX; and
- Suntarget and its associates have a relevant interest in 29,877,210 Kresta Shares, which represent approximately 19.88% of the current issued capital of Kresta.

Signed on behalf of Argonaut Securities Pty Limited

A handwritten signature in black ink, appearing to be 'Charles AC Fear', with a large loop at the top and a horizontal stroke across the middle.

Charles AC Fear
Chairman & CEO

A handwritten signature in black ink, appearing to be 'Adam Santa Maria', with a large 'A' and 'S' and a long horizontal stroke at the end.

Adam Santa Maria
Legal Counsel & Manager
Equity Capital Markets

