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**SHARP YEARS LIMITED**  
*(Incorporated in the British Virgin Islands with limited liability)*

**HUGO LUCKY LIMITED**  
*(Incorporated in the British Virgin Islands with limited liability)*

**INCUTECH INVESTMENTS LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 356)**

- (1) STATUS OF RESUMPTION;**  
**(2) SUPPLEMENTAL AGREEMENT IN RELATION TO THE CONDITIONAL SUBSCRIPTION OF NEW SHARES OF INCUTECH INVESTMENTS LIMITED BY SHARP YEARS LIMITED AND HUGO LUCKY LIMITED;**  
**(3) UPDATE ON POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY YU MING INVESTMENT MANAGEMENT LIMITED ON BEHALF OF SHARP YEARS LIMITED AND HUGO LUCKY LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF INCUTECH INVESTMENTS LIMITED (OTHER THAN THOSE ALREADY ACQUIRED OR AGREED TO BE ACQUIRED BY SHARP YEARS LIMITED AND HUGO LUCKY LIMITED AND PARTIES ACTING IN CONCERT WITH ANY OF THEM);**  
**(4) PROPOSED OPEN OFFER;**  
**(5) APPROVAL OF NEW CONTINUING CONNECTED TRANSACTIONS;**  
**(6) RATIFICATION OF PREVIOUS CONTINUING CONNECTED TRANSACTIONS; AND**  
**(7) CHANGE IN BOARD LOT SIZE**

**Financial adviser to the Offerors and the Company**



禹銘投資管理有限公司  
YU MING INVESTMENT MANAGEMENT LIMITED

## **THE SUPPLEMENTAL SUBSCRIPTION AGREEMENT**

On 28 May 2014, the Company and the Offerors entered into the Supplemental Subscription Agreement, pursuant to which, the Company conditionally agreed to allot and issue and the Offerors conditionally agreed to subscribe in cash for a further 400,000,000 Shares, making a total of 1,400,000,000 Subscription Shares, out of which the First Offeror agreed to subscribe 420,000,000 Shares at HK\$42,000,000, and the Second Offeror agreed to subscribe 980,000,000 Shares at HK\$98,000,000.

Save as the amendments disclosed above, all other terms and conditions of the Subscription Agreement shall remain in full force and effect.

## **UPDATE ON POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

Upon Completion, the Offerors and parties acting in concert with them will hold an aggregate of 1,415,000,000 Shares, representing approximately 96.13% of the entire issued share capital of the Company as enlarged by the issue and allotment of Subscription Shares. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offerors will be required to make a mandatory unconditional cash offer for all the issued Shares which are not already acquired or agreed to be acquired by them and parties acting in concert with any of them.

Subject to Completion, Yu Ming will make the Offer on behalf of the Offerors on the same basis as previously announced:—

**For each Offer Share . . . . . HK\$ 0.1 in cash**

The Offer Price is the same as the price of the Sale Shares and the Subscription Shares.

Yu Ming as the financial adviser to the Offerors in respect of the Offer is satisfied that sufficient financial resources are available to the Offerors to satisfy full acceptance of the Offer.

## **PROPOSED OPEN OFFER**

Upon completion of the Offer, the Company proposes to carry out the Open Offer to offer the Existing Shareholders a pre-emptive right to subscribe for Shares at the same issue price as the Sale Shares and the Subscription Shares so that the Existing Shareholders are provided an equal opportunity as the Offerors to enlarge their respective shareholdings in the Company.

Qualifying Shareholders will be offered Open Offer Shares on the basis of fifteen (15) Open Offer Shares for every two (2) Shares held on the Record Date by the Qualifying Shareholders at HK\$0.1 per Open Offer Share (assuming no Qualifying Shareholders accept the Offer). Accordingly, up to an aggregate of 427,500,000 Open Offer Shares will be issued and allotted under the Open Offer assuming there would be no further allotment and issue of new Shares before the Record Date.

The Open Offer will be fully underwritten by the Offerors. The Open Offer is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders as at the Record Date.

Assuming no Qualifying Shareholder accepted the Offer, the maximum gross proceeds from the Open Offer before expenses will be approximately HK\$42.8 million. The maximum net proceeds from the Open Offer (after deducting the underwriting commission of 3%) are estimated to be approximately HK\$41.5 million, representing a net price of approximately HK\$0.097 per Open Offer Share, which is intended to be applied for settlement of the Liabilities and future investment of the Company.

As the Open Offer will increase the total issued share capital of the Company by more than 50% within the twelve-month period immediately preceding of the announcement of the Open Offer, the Open Offer is subject to Shareholders' approval at the EGM under the Listing Rules. The Offerors shall abstain from voting on relevant resolutions at the EGM.

#### **NEW CONTINUING CONNECTED TRANSACTIONS**

On 28 May 2014, the Company entered into the New Management Agreement with Hua Yu in relation to the appointment of Hua Yu as the Company's investment manager from 1 June 2014 to 31 May 2017. Pursuant to which, Hua Yu shall provide non-exclusive investment management services to the Company, which includes (i) to identify, review and evaluate investment; (ii) to make investment or realisation recommendations to the Company; (iii) to execute investment and realisation decisions and instructions relating to the Company's investments as approved by the Board; (iv) to monitor the performance and supervise the maintenance of investments; and (v) to keep accounts, books and records thereof.

On 28 May 2014, the Company also entered into the Corporate Finance Advisory Agreement with Hua Yu in relation to the appointment of Hua Yu as the Company's Corporate Finance Adviser from 1 June 2014 to 31 May 2017. Pursuant to which, Hua Yu shall provide ongoing corporate finance advisory service to the Company in relation to the compliance with the Listing Rules.

Hua Yu, as the investment manager of the Company, is a connected person of the Company pursuant to Rule 21.13 of the Listing Rules. Accordingly, the transactions contemplated under the New Management Agreement and the Corporate Finance Advisory Agreement constitutes continuing connected transactions of the Company under Rule 14A of the Listing Rules.

As the relevant percentage ratios for the New Management Agreement exceeded 25%, the transactions contemplated thereunder are subject to reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

As one of the relevant percentage ratios for the Corporate Finance Advisory Agreement exceeded 25%, the transactions contemplated thereunder are subject to reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

### **RATIFICATION OF PREVIOUS CONTINUING CONNECTED TRANSACTIONS**

The Company has entered into the Previous Management Agreements to renew Hua Yu's appointment as investment manager of the Company.

As the relevant percentage ratios (other than profits ratio) exceeded 25%, the transactions contemplated under the Management Agreement-1 and Management Agreement-2 were subject to reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

However, the Company failed to comply with the Listing Rules to hold Shareholders' meeting to approve Management Agreement-1 and Management Agreement-2 due to misunderstanding and misinterpretation of Listing Rules and devoted effort on preparing Resumption.

Details of the inadvertent non-compliance of Management Agreement-1 had already been disclosed in the announcement of the Company dated 4 September 2012, and the Board will seek shareholders' approval on ratification of Management Agreement-2 at the EGM.

The Company will also seek Shareholders' approval for Management Agreement-3 as the relevant transactions are completed within a 12-month period of the New Management Agreement and otherwise will be aggregate as one transaction.

### **CHANGE IN BOARD LOT SIZE**

As at the date of this joint announcement, the Shares are traded on the Stock Exchange in board lot of 10,000 Shares. Based on the Subscription Price of HK\$0.1 per Subscription Share and the Open Offer Price of HK\$0.1 per Open Offer Share, each board lot of 10,000 Shares is valued at HK\$1,000. In order to increase the value of each board lot of the Shares so that it will not be less than HK\$2,000, and to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to change the board lot of the Shares from 10,000 Shares to 30,000 Shares, subject to Resumption. The theoretical market value per board lot of the Shares after the proposed change will become HK\$3,000.

## **GENERAL**

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Allan, Kwok Ming Fai, Mr. Robert, Siu Siu Ling and Mr. Stephen, Lee Ming Ching, has been formed to advise the Independent Shareholders in respect of the Subscription, the Open Offer, the Special Deal, the Management Agreement-2 and Management Agreement-3, the New Management Agreement and the annual caps thereunder, the Corporate Finance Advisory Agreement and the annual caps thereunder and the possible Offer.

A EGM will be convened at which ordinary resolutions will be proposed to consider and, if thought fit, approve the Subscription, the Increase in Authorised Capital, the Open Offer, the Special Deal, the Management Agreement-2 and Management Agreement-3, the New Management Agreement and the annual caps thereunder, and the Corporate Finance Advisory Agreement and the annual caps thereunder.

## **DESPATCH OF COMPOSITE OFFER DOCUMENT**

As the making of the Offer by the Offerors is subject to Completion, which in turn is subject to Independent Shareholders' approval at the EGM, pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Offerors has made an application to the Executive and the Executive has granted a waiver from strict compliance with Rule 8.2 of the Takeovers Code and to extend the despatch date of the offer document to 7 days after Completion or 8 July 2014, whichever is the earlier.

## **WARNING**

**The Offer will only be made if Completion takes place, which is subject to, inter alia, satisfaction and/or waiver of the conditions contained in the Sale and Purchase Agreement and the Subscription Agreement, including amongst others, the Independent Shareholders' approval. Accordingly, the Completion may or may not take place and the Offer may or may not be made. Shareholders and potential investors should exercise extreme caution when dealing in the relevant securities of the Company. Further announcement will be made by the Offerors and the Company on whether Completion will take place and if the Offer will be made.**

Reference is made to the joint announcement of the Company and the Offerors dated 6 May 2013, in relation to, among other things, the Sale and Purchase Agreement, the Subscription Agreement and the Offer, and the announcement of the Company dated 27 March 2014 in relation to the status of Resumption.

On 25 March 2014, the Stock Exchange informed the Company that it has decided to allow the Company to resume trading in the Shares, subject to completion of the Subscription, the Open Offer, and all other transactions contemplated in the Proposal.

Pursuant to the Proposal, the Company and the Offerors entered into the Supplemental Subscription Agreement to subscribe for a further 400,000,000 Shares on top of the 1,000,000,000 Shares agreed to be subscribed for, pursuant to the Subscription Agreement, making a total of 1,400,000,000 Subscription Shares. Details of the Supplemental Subscription Agreement are set out below.

## **THE SUPPLEMENTAL SUBSCRIPTION AGREEMENT**

Date: 28 May 2014

Parties: (i) the Company as the issuer; and  
  
(ii) the First Offeror and the Second Offeror as the subscribers

Pursuant to the Supplemental Subscription Agreement, the Company, the First Offeror and the Second Offeror agreed to amend the Subscription Agreement, whereby the Company conditionally agreed to allot and issue and the Offerors conditionally agreed to subscribe in cash a total of 1,400,000,000 Subscription Shares, out of which the First Offeror agreed to subscribe 420,000,000 Shares at HK\$42,000,000, and the Second Offeror agreed to subscribe 980,000,000 Shares at HK\$98,000,000.

Save as the amendments disclosed above, all other terms and conditions of the Subscription Agreement shall remain in full force and effect.

The Subscription Shares represent approximately 19.44 times of the entire issued share capital of the Company as at the date of this joint announcement and approximately 95.11% of the entire issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

### **Reasons for entering into the Supplemental Subscription Agreement**

The Group is principally engaged in the investments in securities listed on the Stock Exchange and in unlisted securities with a potential for earnings growth and capital appreciation.

The purpose of the Supplemental Subscription Agreement is to raise further capital for the Company to demonstrate that it will have a sufficient level of operations or assets of sufficient value under Rule 13.24 of the Listing Rules, in order to fulfil the resumption condition set out by the Stock Exchange.

The net proceeds from the Subscription, after deduction the costs and expenses in connection with the Resumption of approximately HK\$2.8 million, are estimated to be approximately HK\$137.2 million, which is intended to be applied towards the settlement of the Liabilities in full, working capital and future investment of the Company. The net proceed per Share (as enlarged by the allotment and issue of the Subscription Shares) is estimated to be approximately HK\$0.098.

## **UPDATE ON POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

Upon Completion, the Offerors and parties acting in concert with them will hold an aggregate of 1,415,000,000 Shares, representing approximately 96.13% of the entire issued share capital of the Company as enlarged by the issue and allotment of Subscription Shares. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offerors will be required to make a mandatory unconditional cash offer for all the issued Shares which are not already acquired or agreed to be acquired by them and parties acting in concert with any of them.

Subject to Completion, Yu Ming will make the Offer on behalf of the Offerors on the same basis as previously announced:—

**For each Offer Share . . . . . HK\$ 0.1 in cash**

The Offer Price is the same as the price of the Sale Shares and the Subscription Shares.

As at the date of this joint announcement, the Company has 72,000,000 Shares in issue and there are no options, warrants or other derivatives or relevant securities issued and outstanding.

Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to Completion, based on the Offer Price of HK\$0.1 per Offer Share, the entire issued share capital of the Company of 1,472,000,000 Shares is valued at approximately HK\$147,200,000. As the Offerors and parties acting in concert with them will hold an aggregate of 1,415,000,000 Shares upon Completion, only 57,000,000 Shares will be subject to the Offer and the Offer is valued at approximately HK\$5,700,000.

### **Financial Resources**

The Offerors intends to finance the Offer by their own internal resources and loan. Yu Ming as the financial adviser to the Offerors in respect of the Offer is satisfied that sufficient financial resources are available to the Offerors to satisfy the full acceptance of the Offer.

All other terms of the Offer are the same as set out in the Joint Announcement.

### **PROPOSED OPEN OFFER**

As contemplated under the Proposal, upon completion of the Offer, the Company proposes to carry out the Open Offer to offer the Existing Shareholders a pre-emptive right to subscribe for Shares at the same issue price as the Sale Shares and the Subscription Shares so that the Existing Shareholders are provided an equal opportunity as the Offerors to enlarge their respective shareholdings in the Company.

## Information of the Open Offer

Number of Open Offer Shares to be issued:	Not less than 427,500,000 Open Offer Shares
Basis of the Open Offer:	Fifteen (15) Open Offer Shares for every two (2) Shares held on the Record Date and payable in full on acceptance (assuming no Qualifying Shareholder accept the Offer)
Open Offer Price:	HK\$0.1 per Open Offer Share
Excluded Shareholders:	The Offerors which will hold 1,415,000,000 Shares in aggregate and the Overseas Shareholders as at the Record Date, whom the Directors, based on legal opinions provided by the Company's legal adviser, consider it necessary or expedient not to offer the Open Offer Shares on account either of legal restrictions or requirements of the relevant laws and regulations of overseas jurisdictions. Based on the register of members of the Company as at the date of this joint announcement, there is one Overseas Shareholder holding 4,150,000 Shares with registered address in Macau.
Qualifying Shareholders:	All Shareholders as at the Record Date other than the Excluded Shareholders
Underwriting:	The Open Offer will be fully underwritten by the Offerors
Underwriting fee:	3%

The Open Offer is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders as at the Record Date. The Company will only send the Open Offer Prospectus Documents without Application Forms to the Excluded Shareholders for information only.

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company of the Record Date and must be a Qualifying Shareholder. Further announcement will be made regarding the timetable for the transfers of Shares (with the relevant Share certificates) to be lodged for registration with the Registrar in order to qualify for the Open Offer.

The maximum gross proceeds from the Open Offer before expenses will be approximately HK\$42.8 million. The maximum net proceeds from the Open Offer (after deducting the underwriting commission fee at market rate of 3%) are estimated to be approximately HK\$41.5 million. For further details of the intended use of proceeds, please refer to the section headed "Use of Proceeds" below.



As the Open Offer will increase the total issued share capital of the Company by more than 50% within the twelve-month period immediately preceding the announcement of the Open Offer, the Open Offer is subject to Shareholders' approval at the EGM under the Listing Rules. The Offerors shall abstain from voting on the relevant resolution at the EGM.

### **Closure of Register of Members**

Further announcement will be made regarding the closure of the register of members of the Company for the purpose of determining the eligibility of the Shareholders to participate in the Open Offer.

### **Open Offer Price**

The Open Offer Price of HK\$0.1 per Open Offer Share is the same with the Subscription Price, which represents a discount of approximately 79.17% to the closing price of HK\$0.48 per Share as quoted on the Stock Exchange on the Last Trading Day.

Each Qualifying Shareholder is entitled to subscribe for the Open Offer Shares at the same price in proportion to his/her/its shareholding in the Company as at the Record Date. Taking into account that trading of the Shares had been suspended since 13 June 2008, the financial performance of the Company has deteriorated substantially over the years, where net liabilities as at 31 December 2013 amounted to approximately HK\$0.40 per share, and the Open Offer Price is the same as the Subscription Price, the Directors (including the proposed Directors and the independent non-executive Directors) consider the Open Offer Price is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

### **Status of the Open Offer Shares**

The Open Offer Shares (when fully paid and issued) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Open Offer Shares. Holders of the Open Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Open Offer Shares.

### **Fractions of entitlement to the Open Offer Shares**

Fractions of Open Offer Shares will not be allotted to the Qualifying Shareholders and fractional entitlements will be rounded down to the nearest whole number. Any Open Offer Shares created from the aggregation of fractions of Open Offer Shares will be taken up by the Offerors.

## **Applications for excess Open Offer Shares**

Qualifying Shareholders shall be entitled to apply for entitlements of Open Offer Shares which is not taken up by other Qualifying Shareholders. Application may be made by Qualifying Shareholders by completing the Excess Application Form and lodging the same with a separate remittance for the excess Open Offer Shares being applied for. The Directors will allocate the excess Open Offer Shares at their discretion on a fair and equitable basis on the following principles.

The excess Open Offer Shares will be allocated to those Qualifying Shareholders who have applied for excess Open Offer Shares on a pro-rata basis by using the number of the excess Open Offer Shares applied for by each Shareholder divided by total remaining excess Open Offer Shares available.

Any remaining Open Offer Shares not applied for by the Qualifying Shareholders will be taken up by the Offerors.

Shareholders with their Shares held by a nominee (including HKSCC Nominees Limited) should note that the Directors will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (including HKSCC Nominees Limited) should note that the aforesaid arrangements in relation to the allocation of excess Open Offer Shares will not be extended to them individually. Shareholders with their Shares held by a nominee (including HKSCC Nominees Limited) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own name(s) prior to the Record Date.

## **Certificates and refund cheques for the Open Offer Shares**

Subject to fulfillment of the conditions of the Open Offer, certificates for all fully-paid Open Offer Shares shall be despatched by ordinary post to those Qualifying Shareholders who have accepted and paid for their Open Offer Shares, at their own risk. Refund cheques in respect of the Open Offer Shares if the Open Offer is terminated shall be despatched by ordinary post to the applicants at their own risk.

## **Rights of the Overseas Shareholders**

If, at the close of business on the Record Date, a Shareholder's address on the register of members of the Company is in a place outside Hong Kong, that Shareholder may not be eligible to take part in the Open Offer as the Open Offer Prospectus Document will not be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong. The Board will make enquiries to its lawyers as to whether the issue of Open Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange pursuant to the Listing Rules. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient not to

offer the Open Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Open Offer Prospectus Document.

### **Application for listing of the Open Offer Shares**

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Open Offer Shares. Dealings in the Open Offer Shares will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, or any other applicable fees and charges in Hong Kong.

Subject to the granting of listing of, and permission to deal in, the Open Offer Shares on the Stock Exchange, the Open Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Open Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Shares are currently traded in board lot of 10,000 Shares. Upon the effective of Change in Board Lot Size, which is expected to be on the same date with Resumption, the Open Offer Shares will also be dealing in board lot of 30,000 Shares.

Detailed timetable of the Open Offer will be published by the Company once it is finalised. Further details of the Open Offer will be set out in the Open Offer Prospectus Document to be despatched to the Qualifying Shareholders in due course.

### **Underwriting Agreement**

Any Open Offer Share not taken up by the Qualifying Shareholders will be underwritten by the Offerors pursuant to the terms of the Underwriting Agreement.

#### ***Principal terms of the Underwriting Agreement***

Underwriters:	The Offerors
Maximum number of Open Offer Shares underwritten:	427,500,000 Open Offer Shares
Underwriting commission:	3%

Each of the Offerors is not engaged in underwriting business in its ordinary course of business.

## *Conditions of the Underwriting Agreement*

The obligations of the Underwriters under the Underwriting Agreement are conditional upon:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the registrar of Companies in Hong Kong respectively one copy of each of the Open Offer Prospectus Documents together with the Application Form and Excess Application Form duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the Open Offer Prospectus Posting Date;
- (ii) the posting of the Open Offer Prospectus Document, together with the Application Form and Excess Application Form to the Qualifying Shareholders; and to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Open Offer Prospectus Posting Date;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Open Offer Shares;
- (iv) the obligations of the Underwriters becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms;
- (v) the completion of the Offer;
- (vi) the passing by no later than the Open Offer Prospectus Posting Date by the Shareholders (or, where appropriate, Independent Shareholders) at the EGM, among other things, the resolutions of the Open Offer;
- (vii) all necessary consents and approvals required to be obtained by the each of the Underwriters in respect of the Underwriting Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect; and
- (viii) if applicable, all necessary consents and approvals required to be obtained by the Company in respect of the Underwriting Agreement and the transactions contemplated thereunder having been obtained and remaining in full force and effect.

All of the conditions above cannot be waived. If any of the conditions are not fulfilled by the Latest Time for Termination, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

## *Termination of the Underwriting Agreement*

If prior to the Latest Time for Termination:

- (i) in the reasonable opinion of any of the Underwriters, the success of the Open Offer would be materially and adversely affected by:
  - a. the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
  - b. the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of any of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of any of the Underwriters is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (iii) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of any of the Underwriters will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or

- (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- (vi) any matter which, had it arisen or been discovered immediately before the date of the Open Offer Prospectus Document and not having been disclosed in the Open Offer Prospectus Document, would have constituted, in the reasonable opinion of any of the Underwriters, a material omission in the context of the Open Offer; or
- (vii) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of this joint announcement, the Circular, the Open Offer Prospectus Documents, together with the Application Form and the Excess Application Form, or other announcements or circulars in connection with the Open Offer,

Either of the Underwriter shall be entitled by notice in writing to the Company and the other Underwriter, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

#### **USE OF PROCEEDS**

The gross proceeds from the Subscription and the Open Offer will amount to approximately HK\$140 million and HK\$42.8 million respectively. The net proceeds from the Subscription (after deducting the costs and expenses in connection with the Resumption of approximately HK\$2.8 million, including professional fees) are estimated to be approximately HK\$137.2 million, representing net price of approximately HK\$0.098 per Subscription Share, and the net proceeds from Open Offer (after deducting the underwriting commission of 3% of approximately HK\$1.3 million) are estimated to be approximately HK\$41.5 million, representing net price of approximately HK\$0.097 per Open Offer Share. The aggregate net proceeds of approximately HK\$178.7 million are expected to be applied as follows:

- (i) HK\$39.9 million shall be applied to settlement of the Liabilities of the Company;
- (ii) HK\$83.3 million (about 60% of the net proceeds after settlement of the Liabilities) is intended to be invested in listed companies and fixed income instruments of listed and non-listed companies; and
- (iii) HK\$55.5 million (about 40% of the net proceeds after settlement of the Liabilities) is intended to be invested in private equities.

As the amount of Liabilities will be accumulated up to the Subscription Completion Date, the expected use of proceeds is subject to change based thereon.

The Directors and the Investment Manager will use their best endeavours to identify investment opportunities for the Company, and subject to market conditions and appropriate investment opportunities identified, it is expected that most of the proceeds after payment of liabilities of the Company will be invested in the current Financial Year.

## SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; (ii) upon completion of the Sale and Purchase Agreement; and (iii) upon Completion:

Shareholder	As at the date of this joint announcement		Immediately upon completion of the Sale and Purchase Agreement		Upon Completion	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Vendor (Note 1)	15,000,000	20.83%	—	—	—	—
<i>Offerors and their concert parties</i>						
— First Offeror	—	—	7,500,000	10.415%	427,500,000	29.04%
— Second Offeror	—	—	7,500,000	10.415%	987,500,000	67.09%
<i>Subtotal</i>	—	—	15,000,000	20.83%	1,415,000,000	96.13%
Cheong Chi Man (Note 2)	7,350,000	10.21%	7,350,000	10.21%	—	—
<i>Public Shareholders</i>						
Cheong Chi Man (Note 2)	—	—	—	—	7,350,000	0.50%
Hugger Thomas Eugen	3,780,000	5.25%	3,780,000	5.25%	3,780,000	0.26%
Existing Public Shareholders	45,870,000	63.71%	45,870,000	63.71%	45,870,000	3.11%
<i>Sub-total (Public float)</i>	49,650,000	68.96%	49,650,000	68.96%	57,000,000	3.87%
Total	72,000,000	100.00%	72,000,000	100.00%	1,472,000,000	100.00%

The following table illustrates the changes in shareholding structure of the Company (a) upon completion of the Offer and the Open Offer (assuming none of the Existing Shareholders accepted the Offer) and if all of the Existing Shareholders would take up their respective Open Offer Shares; or (b) upon completion of the Offer, the Open Offer (assuming none of the Existing Shareholders accepted the Offer) and the Placing, if none of the Existing Shareholders took up their respective Open Offer Shares.

Shareholder	<i>Immediately upon completion of the Offer and the Open Offer</i>		<i>Immediately upon completion of the Offer, the Open Offer and the Placing (Note 3)</i>	
	<b>(a) if all of the Existing Shareholders take up the Open Offer Shares</b>		<b>(b) if none of the Existing Shareholders take up the Open Offer Shares</b>	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Vendor (Note 1)	—	—	—	—
<i>Offerors and their concert parties</i>				
— First Offeror	427,500,000	22.50%	430,387,500	22.66%
— Second Offeror	987,500,000	51.99%	994,237,500	52.34%
<i>Subtotal</i>	<i>1,415,000,000</i>	<i>74.49%</i>	<i>1,424,625,000</i>	<i>75.00%</i>
<i>Public Shareholders</i>				
Cheong Chi Man (Note 2)	62,475,000	3.29%	7,350,000	0.39%
Hugger Thomas Eugen	32,130,000	1.69%	3,780,000	0.20%
Existing Public Shareholders	389,895,000	20.53%	45,870,000	2.41%
Third party placees (Note 3)	—	—	417,875,000	22.00%
<i>Sub-total (Public float)</i>	<i>484,500,000</i>	<i>25.51%</i>	<i>474,875,000</i>	<i>25.00%</i>
Total	<u>1,899,500,000</u>	<u>100.00%</u>	<u>1,899,500,000</u>	<u>100.00%</u>



*Notes:*

1. As at the date of this joint announcement, Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah are interested in the equity interest of the Vendor as to 60% and 40% respectively. Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah are deemed to be interested in 15,000,000 Shares held by the Vendor.
2. As at the date of this joint announcement, Mr. Cheong Chi Man is a substantial Shareholder holding 10.21% of the entire issued share capital of the Company. Upon Completion, Mr. Cheong Chi Man's interest in the Shares will be reduced to 0.50% and will be regarded as part of the public float. Save for being a substantial Shareholder, Mr. Cheong Chi Man does not hold any position in the Company.
3. The Offerors will fully underwrite 427,500,000 Open Offer Shares and engage a third party agent to place down not more than 417,875,000 Shares to independent third party placees to restore the public float of the Company to not less than 25%.

### **PLACING DOWN TO RESTORE PUBLIC FLOAT**

Upon completion of the Open Offer, assuming all Qualifying Shareholders take up their respective entitlements under the Open Offer, there will be 484,500,000 Shares held by the public Shareholders, representing approximately 25.51% of the issued share capital of the Company immediately upon completion of the Open Offer.

Upon completion of the Open Offer, assuming none of the Qualifying Shareholders take up their entitlements under the Open Offer and none of them accepted the Offer, there will be 57,000,000 Shares held by the public Shareholders, representing approximately 3.0% of the issued share capital of the Company upon completion of the Open Offer. The Offerors will place down not more than 417,875,000 Shares, representing approximately 22.0% issued share capital of the Company upon completion of the Open Offer. Together with the 3.0% new Shares already held by the public Shareholders, not less than 25.0% issued share capital of the Company will be held by the public upon completion of the Placing. Accordingly, sufficient public float of the Company will be restored.

The Stock Exchange has indicated that if, upon closing of the Open Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued share capital, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing the Shares.

## CONTINUING CONNECTED TRANSACTIONS

### NEW MANAGEMENT AGREEMENT

On 28 May 2014, the Company entered into the New Management Agreement with Hua Yu in relation to the appointment of Hua Yu as the Company's investment manager from 1 June 2014 to 31 May 2017. Principal terms of the New Management Agreement are as follows.

#### Principle terms

Duration: The Management Period (1 June 2014 to 31 May 2017)

Services: Hua Yu shall provide non-exclusive investment management services to the Company, includes:—

- (a) to identify, review and evaluate investment and realisation opportunities for the Company;
- (b) to make investment or realisation recommendations to the Company regarding potential investments prior to such action being consummated to be made by the Company and realisation opportunities for the Company;
- (c) to execute investment and realisation decisions and instructions relating to the Company's investments as approved by the Board;
- (d) to, based on such information as may reasonably be available to it, monitor the performance and supervise the maintenance of investments and, in the event of major problems or indications of major problems in relation to the investments, give written notice thereof to the Board as soon as reasonably practicable after becoming aware of the same; and
- (e) to keep such accounts, books and records as may be required by law or, otherwise for the proper conduct of the affairs of Hua Yu under the New Management Agreement.

Remuneration: Management Fee:

Prior to Resumption — HK\$150,000 per quarter

Upon Resumption — 1.5% of the Gross NAV per annum, calculated as the arithmetical average of the published Gross NAV on the last day of each calendar month during each relevant year, and payable quarterly in arrears by the Company to Hua Yu.

Performance Fee:

15% on the amount of audited consolidated NAV of the Company (calculated as at the end of each respective Financial Year) exceeding the High Watermark as at the relevant Financial Year, and payable annually in arrears by the Company to Hua Yu, subject to adjustments by disregarding the effects of any new issue of securities or distribution on the Gross NAV.

### Annual caps

The maximum annual remunerations payable by the Company to Hua Yu under the New Management Agreement were proposed to be as follows:

Period	2014	2015	2016	2017
	(1 Jun-31 Dec)	(1 Jan-31 Dec)	(1 Jan-31 Dec)	(1 Jan-31 May)
	HK\$	HK\$	HK\$	HK\$
	7 months	12 months	12 months	5 months
Management Fee (Note 1)	950,000	3,200,000	4,000,000	1,800,000
Performance Fee (Note 2)	2,100,000	6,800,000	8,400,000	N.A.
<b>Total</b>	<b>3,050,000</b>	<b>10,000,000</b>	<b>12,400,000</b>	<b>1,800,000</b>

Note:

- (1) The Management Fee for the 7 months period from 1 June 2014 to 31 December 2014 was computed based on the assumption that Resumption will be achieved in August 2014. From June to August 2014, the Management Fee will be prorated based on HK\$150,000 per quarter, and from September to December 2014, the Management Fee will be prorated based on 1.5% of the Gross NAV per annum.
- (2) Pursuant to the New Management Agreement, there will be no Performance Fee for the 5 months period from 1 January 2017 to 31 May 2017.

The computation basis of the proposed annual caps assumes that the Company will achieve approximately 30% annual increase in NAV. For convenience, the annual caps are rounded up or down to the nearest HK\$100,000.

The New Management Agreement is entered into after arm's length negotiation. The Management Fee and the Performance Fee are determined with reference to the market range of management fee of other investment companies listed on the Stock Exchange under Chapter 21 of the Listing Rules that is comparable to the New Investment Agreement (management fee are charged based on different criteria as the structure and level of fees for investment managers are not standardized in the market) based on research by the Company according to public information available on the Stock Exchange website, where the price offered by Hua Yu is within the market range. The annual caps and management fee are determined after taking into account of (i) the NAV of the Group of approximately HK\$150.2 million according to the unaudited pro forma financial information of the Group, assuming completion of the Subscription and the Open Offer has been completed at 1 January 2014; and (ii) an expected increase in volatility of the Hang Seng Index (“**HSI**”) for the coming years as compared to the previous 3 years period.

The following table summarise the annual rate of return, average daily trading volume and volatility of HSI for the period from year 2004 to year 2013 and the year-to-date return for the three months ended 31 March 2014 (the “**Relevant Period**”) is set out below:

<b>Year</b>	<b>Annual rate of return of HSI (%)</b>	<b>Average daily trading volume (HK\$ million)</b>	<b>Volatility of HSI (%)</b>
2004	13.2	15,857	2.7
2005	4.5	18,205	1.3
2006	34.2	33,736	2.0
2007	39.3	87,427	6.8
2008	(48.3)	71,841	25.8
2009	52.0	62,007	10.6
2010	5.3	68,584	3.2
2011	(20.0)	69,473	6.4
2012	22.9	53,716	2.7
2013	2.9	62,235	2.3
3 months ended 31 March 2014	(5.0)	67,273	0.7
<i>Average</i>	9.2	55,487	5.9
<i>Highest</i>	52.0	87,427	25.8
<i>Lowest</i>	(48.3)	15,857	0.7

Source: Bloomberg

From the above table, it is noted that the annual rate of return of HSI during the Relevant Period ranged from (48.3)% to 52.0% and the volatility ranged from 0.7% to 25.8%.

Having considered the fact that changes in the NAV are subject to a number of factors, including the global economy, market sentiment and volatility; and amidst an expectation of a slower economic growth in the PRC and the possibility of an end to easing of quantitative economical policies in the United States, it is reasonable to consider the high side of the potential increase in NAV with reference to the historical annual return rate of HSI.

The Directors are of the view that an annual increase of 30% in NAV is reasonable to accommodate the market volatility. The estimated growth rate of the NAV of 30% over the Management Period is within the range as compares to the annual return of HSI during the Relevant Period.

The growth rates of the NAV are estimated with reference to the historical performance of HSI as described above is merely assumed for the purpose of determining the annual caps and shall not be taken as any indication directly or indirectly as to the performance of the Company's profitability or NAV.

#### **Historical transaction amounts**

The following is a summary of the historical transaction amounts under the Previous Management Agreements:—

<b>Financial Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<b>(Mar-May)</b> <i>HK\$</i>
Management Fee	600,000	600,000	600,000	150,000

The Company entered into the Previous Management Agreements on 1 March 2011, 25 February 2013 and 28 February 2014 to renew Hua Yu's appointment as investment manager of the Company for the period from 1 March 2011 to 28 February 2013 (Management Agreement-1), 1 March 2013 to 28 February 2014 (Management Agreement-2) and 1 March 2014 to 31 May 2014 (Management Agreement-3). During the relevant period, net liabilities of the Company were approximately HK\$17.9 million as at 31 December 2011, HK\$21.8 million as at 31 December 2012 and HK\$28.5 million as at 31 December 2013, respectively.

The Company had limited working capital for investment purpose and Hua Yu was therefore retained to provide only general investment and corporate finance advisory services, and to comply with the Listing Rules requirements. Accordingly, the historical management fee charged by Hua Yu would not be comparable to the annual caps proposed under the New Management Agreement.

Further details will be disclosed in the Circular to be despatched.

## **Condition of the New Management Agreement**

The New Management Agreement is conditional upon the approval by an ordinary resolution passing by the Independent Shareholders at the EGM. If the condition is not satisfied, the New Management Agreement shall lapse and none of the parties thereto shall have any obligations and liabilities thereunder.

## **Reasons for entering into the New Management Agreement**

Hua Yu has provided investment management services to the Company since 1 March 2009. Since trading in the Shares has been suspended since 13 June 2008, financial performance of the Company has been deteriorated substantially. Net liabilities of the Company increased from approximately HK\$6.5 million as 31 December 2008 to approximately HK\$28.5 million as at 31 December 2013. Scarce financial resources has limited the Company's investment exposure and market value of the investment as at 31 December 2013 only amounted to approximated HK\$5.3 million. With limited resources, Hua Yu's advice to the Company on its investment portfolio has been restricted.

The Board has taken into account, amongst other things, the following factors when considering whether to continue to appoint Hua Yu:

- (i) Hua Yu's possession of the required professional qualifications, expertise and experience in providing the relevant services;
- (ii) Hua Yu's ability to introduce new investment opportunities and investors to the Company;
- (iii) the long-term relationship and trust between the Hua Yu and the Company;
- (iv) Hua Yu's in-depth understanding of the operations and business of the Company; and
- (v) notwithstanding the Company's inability to make investments due to lack of funding during the period of the Previous Management Agreements, Hua Yu's performance as investment manager of the Company was considered diligent, responsive, timely and trustworthy.

Having considered the above and with the expected cash inflow from proposed Subscription and Open Offer, the Board is of the view that continuity for provision of investment management services by the Hua Yu is important for the investment management of the Company. The transactions contemplated under the New Management Agreement will continue to be conducted in the ordinary and usual course of business of the Company.

## CORPORATE FINANCE ADVISORY AGREEMENT

On 28 May 2014, the Company entered into the Corporate Finance Advisory Agreement with Hua Yu in relation to the appointment of Hua Yu as the Company's Corporate Finance Adviser from 1 June 2014 to 31 May 2017. Pursuant to which, Hua Yu shall provide ongoing corporate finance advisory service to the Company in relation to the compliance with the Listing Rules. Hua Yu will (i) ensure the Company is properly guided and advised as to compliance with the Listing Rules and all other applicable laws, rules, codes and guidelines; (ii) accompany the Company to any meetings with the Stock Exchange; (iii) review and provide compliance advisory on the financial reports of the Company; (vi) deal with the Stock Exchange in respect of certain Listing Rules matters; and (v) advise the Company on its obligations and requirement on waiver applications under the Listing Rules.

### Annual Caps

Hua Yu is entitled to a monthly retainer fee of HK\$30,000 for its services pursuant to the Corporate Finance Advisory Agreement. The maximum annual remunerations payable by the Company to Hua Yu under the Corporate Finance Advisory Agreement is proposed to be as follows:

<b>Period</b>	<b>2014</b> <b>(1 Jun-31 Dec)</b> <i>HK\$</i> <i>7 months</i>	<b>2015</b> <b>(1 Jan-31 Dec)</b> <i>HK\$</i> <i>12 months</i>	<b>2016</b> <b>(1 Jan-31 Dec)</b> <i>HK\$</i> <i>12 months</i>	<b>2017</b> <b>(1 Jan-31 May)</b> <i>HK\$</i> <i>5 months</i>
Fee	210,000	360,000	360,000	150,000

The Corporate Finance Advisory Agreement is entered into after arm's length negotiation. The advisory fee are determined with reference to the market price charged by other regulated corporate finance advisors for provision of similar advisory services based on research by the Company, where the price offered by Hua Yu is within the market range. The annual caps of the advisory fee are determined after taking account into the expected growth in business of the Company and the anticipated corporate finance transactions after Resumption.

### Condition of the Corporate Finance Advisory Agreement

The Corporate Finance Advisory Agreement is conditional upon the approval of the Independent Shareholders at the EGM. If the condition is not satisfied on or before 30 June 2014, the Corporate Finance Advisory Agreement shall lapse and none of the parties thereto shall have any obligations and liabilities thereunder.

## **Reasons for entering into the Corporate Finance Advisory Agreement**

The Company has devoted its effort in preparing for the Resumption since the suspension of the trading in Shares, and the Board may have inadvertently misunderstand or misinterpreted certain Listing Rules in the past. In order to avoid such situation, ensure better compliance with the Listing Rule and strengthen corporate governance for the Company, the Board decided to appoint Hua Yu as the Corporate Finance Adviser to advise the Company on corporate finance matters and ensure compliances to the Listing Rules.

### **Hua Yu's previous corporate finance advisory experience**

Hua Yu was the investment manager of Mastermind Capital Limited (“**Mastermind**”, Stock Code: 905) from 2007 to 2009, during the period, in addition to the investment management service, Hua Yu had also advised Mastermind on its compliance to Listing Rules and provided corporate finance advisory, such as advice on the company's obligations under the Listing Rules, compliance on relevant rules and regulations, and assist in handling regulators' enquiries, etc., on a number of corporate finance transactions, including but not limit to (i) open offer; (ii) change in authorized share capital and board lot size; (iii) subscription of new shares; and (iv) placing of shares.

Given Hua Yu's in-depth understanding of the operations and business of the Company and is also the Investment Manager of the Company and its previous experience in providing corporate finance and compliance advisory service to other listed investment company under chapter 21 of the Listing Rules as mentioned above, the Board is of the view that the appointment of Hua Yu is in the interest of the Company and the Shareholders as a whole. The Corporate Finance Advisory Agreement will be conducted in the ordinary and usual course of business of the Company.

### **Listing Rules Implications**

Hua Yu, as the investment manager of the Company, is a connected person of the Company pursuant to Rule 21.13 of the Listing Rules. Accordingly, the transactions contemplated under the New Management Agreement and the Corporate Finance Advisory Agreement constitutes continuing connected transactions of the Company under Rule 14A of the Listing Rules.

As the relevant percentage ratios for the New Management Agreement exceeded 25%, the transactions contemplated thereunder are subject to reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

As one of the relevant percentage ratios for the Corporate Finance Advisory Agreement exceeded 25%, the transactions contemplated thereunder are subject to reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.35 of the Listing Rules.



## **Voting abstention**

Based on the information available to the Company as at the date of this joint announcement, no Shareholders are required to abstain from voting at the EGM for the Shareholders to approve the New Management Agreement and the Corporate Finance Advisory Agreement.

## **Views of Directors**

The Directors are of the view that the transactions contemplated under the New Management Agreement and the Corporate Finance Advisory Agreement are (a) fair and reasonable and in the interests of the Company and the Shareholders as a whole; (b) in the ordinary and usual course of business of the Company; and (c) on normal commercial terms which have been negotiated on an arm's length basis.

None of the Directors are considered having material interests in the transactions contemplated under the New Management Agreement and the Corporate Finance Advisory Agreement and therefore are not required to abstain from voting on the Board resolution approving the New Management Agreement and the Corporate Finance Advisory Agreement, and the annual caps thereunder.

## **Information in respect of the Company and Hua Yu**

The Company is an investment company listed under Chapter 21 of the Listing Rules. The Company principally invests in securities listed on the Stock Exchange and unlisted securities with a potential for earning growth and capital appreciation.

Hua Yu was incorporated in Hong Kong in 1998 and is a deemed licensed corporation under the SFO to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activities. Hua Yu is principally engaged in the business of investment management and provision of corporate advisory services.

## **RATIFICATION OF PREVIOUS CONTINUING CONNECTED TRANSACTIONS**

The Company has entered into the Previous Management Agreements, namely Management Agreement-1, Management Agreement-2 and Management Agreement-3, respectively to renew Hua Yu's appointment as investment manager of the Company.

As the relevant percentage ratios (other than profits ratio) exceeded 25%, the transactions contemplated under the Management Agreement-1 and Management Agreement-2 were subject to reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

At the time of entering into of the Management Agreement-1, due to misunderstanding and misinterpretation of certain Listing Rules so as to application of certain percentage ratios under Rule 14.06(6) of the Listing Rules, the Company considered the asset test and the revenue test inapplicable for the Management Agreement-1, which as a result was considered a transaction under the deminimis threshold under Rule 14A.33(3) of the Listing Rules and would be exempted from reporting, announcement, annual review and shareholder's approval requirement. Accordingly, the Company has failed to comply with the announcement, reporting and shareholders' approval requirement under Rule 14A.17 of the Listing Rules on time for the Management Agreement-1. Shareholders could refer to more details about the inadvertent non-compliance in the announcement of the Company dated 4 September 2012.

The Company had made announcement in respect of the Management Agreement-2 dated 25 February 2013 and delayed the publication of relevant circular a few times. Since trading in the Shares was suspended and the Company devoted its effort in sourcing funds for investment, working capital and preparing for the Resumption, the Board decided to send the circular in respect of the Management Agreement-2 together with the resumption information in one circular and obtain Shareholders' approval on ratification of Management Agreement-2 and the New Management Agreement at the EGM all at once. As such, the Company failed to dispatch its circular and hold a shareholders' meeting to approve the Management Agreement-2 as required under Rule 14A.17 of the Listing Rules on time.

As relevant percentage ratio for Management Agreement-3 on a standalone basis would be below deminimis ratio, it is exempted from announcement, shareholders' approval and reporting requirement under the Listing Rules. However, pursuant to Rule 14A.25 of the Listing Rules, when relevant transactions are completed within a 12 months period or are otherwise related, the Stock Exchange will aggregate a series of connected transactions and treat them as if they were one transaction. Accordingly, if Management Agreement-3 is to be aggregated with the New Management Agreement, it would be subject to announcement, reporting and shareholders' approval requirement under Rule 14A.17 of the Listing Rules. Accordingly, the Company will also seek Shareholders' approval for Management Agreement-3 at the EGM.

### **Remedial actions**

In order to avoid the re-occurrence of similar breach in future, the Board intended to strengthen its internal control and to adopt a more stringent approach in interpretation of the Listing Rules by consulting relevant professionals as well as making prior enquiry to the Stock Exchange in case of doubt. The Company will appoint Hua Yu as the Corporate Finance Adviser to advise various compliance matters. Also, the Company will identify appropriate training courses on relevant Listing Rules for its Board members and senior staff in pursuit of higher standard of compliance with the Listing Rules.

## **View of Directors**

The Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Previous Management Agreements were (a) fair and reasonable and in the interests of the Company and its Shareholders as a whole; (b) in the ordinary and usual course of business of the Company; and (c) on normal commercial terms which have been negotiated on an arm's length basis.

## **CHANGE IN BOARD LOT SIZE**

As at the date of this joint announcement, the Shares are traded on the Stock Exchange in board lot of 10,000 Shares. Based on the Subscription Price of HK\$0.1 per Subscription Share and the Open Offer Price of HK\$0.1 per Open Offer Share, each board lot of 10,000 Shares is valued at HK\$1,000. In order to increase the value of each board lot of the Shares so that it will not be less than HK\$2,000, and to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to change the board lot of the Shares from 10,000 Shares to 30,000 Shares, subject to Resumption. The theoretical market value per board lot of the Shares after the proposed change will become HK\$3,000.

The Change in Board Lot Size will not affect any of the Shareholders' rights.

Odd lot matching service will be arranged by the Company and further details will be disclosed in the Circular.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD**

During the past twelve months immediately preceding the date of this joint announcement, the Company has not conducted any equity fund raising activities.

## **GENERAL**

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Allan, Kwok Ming Fai, Mr. Robert, Siu Siu Ling and Mr. Stephen, Lee Ming Ching, has been formed to advise the Independent Shareholders in respect of the Subscription, the Open Offer, the Special Deal, the Management Agreement-2 and Management Agreement-3, the New Management Agreement and the annual caps thereunder, and the Corporate Finance Advisory Agreement and the annual caps thereunder.

An EGM will be convene at which ordinary resolutions will be proposed to consider and, if thought fit, approve the Subscription, the Increase in Authorised Capital, the Open Offer, the Special Deal, the Management Agreement-2 and Management Agreement-3, the New Management Agreement and the annual caps thereunder, and the Corporate Finance Advisory Agreement and the annual caps thereunder.

Further information in relation to, among other things, (i) details of the Supplemental Subscription Agreement, the Increase in Authorised Capital, the proposed Open Offer, the Special Deal, the Change in Board Lot Size, the Previous Management Agreements, the New Management Agreement and the Corporate Finance Advisory Agreement; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Supplemental Subscription Agreement, the proposed Open Offer, the Special Deal, the Management Agreement-2 and Management Agreement-3, the New Management Agreement and the annual caps thereunder, the Corporate Finance Advisory Agreement and the annual caps thereunder, and as to voting on the relevant resolutions; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee setting out its view in respect of the Supplemental Subscription Agreement, the proposed Open Offer, the Special Deal, the Management Agreement-2 and Management Agreement-3, the New Management Agreement and the annual caps thereunder, the Corporate Finance Advisory Agreement and the annual caps thereunder, and as to voting on the relevant resolutions; and (iv) the notice of the EGM, will be disclosed in the Circular and despatched to the Shareholders to a date falling on or before 30 June 2014.

## **DESPATCH OF COMPOSITE OFFER DOCUMENT**

As the making of the Offer by the Offerors is subject to Completion, which in turn is subject to Independent Shareholders' approval at the EGM, pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Offerors has made an application to the Executive and the Executive has granted a waiver from strict compliance with Rule 8.2 of the Takeovers Code and to extend the despatch date of the offer document to 7 days after Completion or 8 July 2014, whichever is the earlier.

## **WARNING**

**The Offer will only be made if Completion takes place, which is subject to, inter alia, satisfaction and/or waiver of the conditions contained in the Sale and Purchase Agreement and the Subscription Agreement, including amongst others, the Independent Shareholders' approval. Accordingly, the Completion may or may not take place and the Offer may or may not be made. Shareholders and potential investors should exercise extreme caution when dealing in the relevant securities of the Company. Further announcement will be made by the Offerors and the Company on whether Completion will take place and if the Offer will be made.**

## **SUSPENSION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 13 June 2008. On 25 March 2014, the Stock Exchange informed the Company that it has decided to allow the Company to resume trading in the Shares, subject to completion of the Subscription, the Open Offer, and all other transactions contemplated in the Proposal. Further announcement will be made by the Company to update the Shareholders on the progress of the Resumption.

## DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Application Form(s)”	the application form(s) for use by Qualifying Shareholders to apply for Open Offer Shares
“associates”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors of the Company
“Business Day(s)”	a day (other than a Saturday, Sunday, public holidays and days on which a tropical cyclone warning signal no.8 or above or a black rainstorm warning signal is hosted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot of the Shares for trading on the Stock Exchange from 10,000 Shares to 30,000 Shares
“Circular”	a circular containing, among other things, (i) details of the Sale and Purchase Agreement and the Subscription Agreement respectively and transactions contemplated thereunder, the Increase in Authorised Capital, the proposed Open Offer, the Special Deal, the Change in Board Lot Size, the Previous Management Agreements, the New Management Agreement and the Corporate Finance Advisory Agreement; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Supplemental Subscription Agreement, the proposed Open Offer, the Special Deal, the Management Agreement-2 and Management Agreement-3, the New Management Agreement and the annual caps thereunder, the Corporate Finance Advisory Agreement and the annual caps thereunder, and as to voting on the relevant resolutions; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee setting out its view in respect of the Supplemental Subscription Agreement, the proposed Open Offer, the Special Deal, the Management Agreement-2 and Management Agreement-3, the New Management Agreement and the annual caps thereunder, the Corporate Finance Advisory Agreement and the annual caps thereunder, and as to voting on the relevant resolutions; and (iv) the notice of the EGM

“Company”	Incutech Investments Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement and the Subscription Agreement pursuant to the terms and conditions thereof
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Corporate Finance Adviser” or “Investment Manager” or “Hua Yu”	Hua Yu Investment Management Limited is a licensed corporation under the SFO to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activities. It is principally engaged in the business of investment management and provision of corporate finance advisory services
“Corporate Finance Advisory Agreement”	the agreement entered into between the Company and Hua Yu on 28 May 2014, in relation to the appointment of Hua Yu as the Corporate Finance Adviser of the Company subject to the approval by the Independent Shareholders at the EGM
“Deposit”	an aggregate sum of HK\$500,000, being the deposit and partial payment of the Consideration, out of which HK\$250,000 has been paid by the First Offeror to the Vendor and HK\$250,000 has been paid by the Second Offeror to the Vendor into the Escrow Bank Account upon the signing of the Sale and Purchase Agreement
“Director(s)”	director(s) of the Company from time to time
“Directors’ Fee”	the actual amount of fees due to Directors as at the Subscription Completion Date, which amounted to approximately HK\$8.0 million as at 31 December 2013, of which approximately HK\$7.2 million were due to Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah. The actual amount will be accrued up to the Subscription Completion Date
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving (i) the Subscription Agreement and the transactions contemplated thereunder, including the granting of a specific mandate for the issue and allotment of the Subscription Shares; (ii) the Increase in Authorised Capital; (iii) the Open Offer; (iv) the Special Deal; (v) the Management Agreement-2 and Management Agreement-3; (vi) the New Management Agreement and the annual caps thereunder; and (vii) the Corporate Finance Advisory Agreement and the annual caps thereunder, or any adjournment thereof

“Escrow Bank Account”	an escrow bank account held in the joint names of Ms. Chan Pui Kwan and Mr. Tung Tat Wah (who were appointed by the Vendor and the Offerors as the escrow agents) who shall be the joint signatories of the bank account for the purpose of escrowing the Deposit in accordance to the terms and conditions of the Sale and Purchase Agreement
“Excess Application”	the applications by Qualifying Shareholders for the Open Offer Shares in addition to their entitlement under the Open Offer
“Excess Application Form(s)”	the application form(s) for use by the Qualifying Shareholders to apply for additional Open Offer Shares under the Excess Application
“Excluded Shareholders”	the Offerors and those Overseas Shareholder(s) in respect of which the Directors, based on legal opinions provided by the legal advisers, consider it necessary or expedient not to offer the Open Offer Shares to such Shareholder(s) on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Existing Shareholders”	holders of the Shares, other than the Offerors
“Financial Year”	the financial year of the Company during the Management Period, being the period of 12 months from 1 January to 31 December or otherwise determined by the Board
“First Offeror”	Sharp Years Limited, which is a company incorporated in the British Virgin Islands with limited liability, the purchaser of the First Sale Shares and the subscriber of the First Subscription Shares
“First Sale Shares”	7,500,000 Shares held by the Vendor, representing approximately 10.42% of the entire issued share capital of the Company as at the date of this joint announcement
“First Subscription Shares”	420,000,000 new Shares to be issued and allotted to the First Offeror pursuant to the Subscription Agreement
“Gross NAV”	the consolidated NAV at the relevant date, without deduction of Management Fees attributable to the relevant quarter
“Group”	the Company and its subsidiaries

“High Watermark”	during the Management Period of the term of the New Management Agreement, (a) if a Performance Fee has been paid, the audited consolidated NAV of the Company as at the end of the latest Financial Year in which Hua Yu was entitled to a Performance Fee; or (b) if no Performance Fee has been paid, the consolidated pro forma NAV of the Company as at the commencement date of the New Management Agreement, being 1 June 2014 assuming the transactions under the Resumption Proposal are completed
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Capital”	the proposed increase in the authorised share capital of the Company from HK\$5,000,000 to HK\$20,000,000 by the creation of additional 1,500,000,000 Shares subject to the passing of an ordinary resolution by the Shareholders at the EGM and conditional upon fulfillment of the conditions of the Sale and Purchase Agreement and the Subscription Agreement
“Independent Board Committee”	the independent board committee of the Company formed for the purpose of advising the Independent Shareholders in respect of the Subscription, the Open Offer, the Special Deal, the Management Agreement-2, the Management Agreement-3, the New Management Agreement and the annual caps thereunder, the Corporate Finance Advisory Agreement and the annual caps thereunder and the possible Offer
“Independent Shareholders”	holders of the Shares, other than the Offerors and parties acting in concert with any of them, the Vendor, its beneficial owners, namely Mr. Tung Tat Wah, Mr. Michael, Wu Chun Wah, and their respective associates
“Joint Announcement”	the announcement jointly published by the Offerors and the Company dated 6 May 2013 in relation to, among other things, (i) the Sale and Purchase Agreement; (ii) the Subscription Agreement and the transactions contemplated thereunder including the allotment and issue of the Subscription Shares under the specific mandate; (iii) the Increase in Authorised Capital; (iv) the Special Deal; and (v) the Offer
“Last Trading Date”	12 June 2008, the last trading date before the suspension of trading in the Shares
“Latest Time for Acceptance”	a date falling 10 Business days after the Record Date or such time to be agreed between the Company and the Investor, being the latest time for acceptance of, and payment for, the offer of Open Offer Shares as described in the Open Offer Prospectus Document



“Latest Time for Termination”	6:00 p.m. on the third Business Day following the Latest Time for Acceptance or such later time, being the latest time to terminate the Underwriting Agreement
“Liabilities”	the liabilities of the Company as at the Subscription Completion Date. As at 31 December 2013, such liabilities amounted to approximately HK\$33.9 million, including, inter alia (i) the Shareholders’ Indebtedness; (ii) Directors’ Fee and staff salaries; and (iii) other expenses and liabilities incurred in the ordinary course of business of the Company. The actual amount will be accrued up to the Subscription Completion Date
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM Board of the Stock Exchange
“Management Agreement-1”	the management agreement entered into between the Company and Hua Yu dated 1 March 2011 for a period of two years from 1 March 2011 to 28 February 2013
“Management Agreement-2”	the management agreement entered into between the Company and Hua Yu dated 25 February 2013 for a period of one year from 1 March 2013 to 28 February 2014
“Management Agreement-3”	the management agreement entered into between the Company and Hua Yu dated 28 February 2014 for a period of 3 months from 1 March 2014 to 31 May 2014
“Management Fee”	the fee payable to Hua Yu in respect of the management of the Company pursuant to the New Management Agreement
“Management Period”	the period from 1 June 2014 to 31 May 2017
“NAV”	the consolidated net asset value of the Group attributable to the owners of the Group
“New Management Agreement”	the new investment agreement entered into between the Company and Hua Yu on 28 May 2014, in relation to the appointment of Hua Yu as the investment manager of the Company subject to the approval by the Independent Shareholders at the EGM

“Offer”	subject to Completion, the possible mandatory unconditional cash offer for all the issued Shares (other than those already acquired by or agreed to be acquired by the Offerors and parties acting in concert with any of them) to be made by Yu Ming on behalf of the Offerors at the Offer Price
“Offerors”	the First Offeror and the Second Offeror
“Offer Price”	HK\$0.1 per Offer Share
“Offer Share(s)”	57,000,000 Shares subject to the Offer
“Open Offer”	the proposed open offer for subscription by the Existing Shareholders for the Open Offer Shares at the Open Offer Price
“Open Offer Price”	HK\$0.1 per Open Offer Share
“Open Offer Prospectus Document”	the prospectus to be despatched to the Shareholders containing details of the Open Offer
“Open Offer Prospectus Posting Date”	the day for despatch of the Open Offer Prospectus Document (together with the Application Form and the Excess Application Form)
“Open Offer Shares”	the new Shares proposed to be issued under the Open Offer
“Overseas Shareholder(s)”	Shareholder(s) whose addresses, as shown on the register of members of the Company on the Record Date, are outside Hong Kong
“Performance Fee”	the fee payable by the Company to Hua Yu in respect of the performance of the Company under the New Management Agreement
“Placing”	the proposed placing the Offerors to place down not more than 417,875,000 Shares after the close of the Offer and Open Offer to restore the public float of the Company
“PRC”	the People’s Republic of China
“Previous Management Agreements”	The Management Agreement-1, Management Agreement-2 and Management Agreement-3 respectively in relation to the appointment of Hua Yu as the investment manager of the Company
“Proposal”	the revised resumption proposal dated 6 January 2014 submitted by Yu Ming on behalf of the Company to the Stock Exchange
“Qualifying Shareholders”	all Shareholders as at the Record Date other than the Excluded Shareholders

“Record Date”	such date after the close of the Offer to be agreed between the Company and the Offerors for the determination of the entitlements under the Open Offer
“Registrar”	Tricor Secretaries Limited, the Company’s branch share registrar and transfer office in Hong Kong which located at Level 22, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Resumption”	resumption of trading in the Shares
“Sale and Purchase Agreement”	the conditional agreement dated 30 April 2013 entered into between the Offerors and the Vendor in relation to the sale and purchase of the Sale Shares as supplemented by the supplemental agreements dated 31 July 2013, 31 December 2013, 2 January 2014, 14 February 2014 and 28 March 2014 respectively
“Sale Shares”	15,000,000 Shares to be acquired by the Offerors from the Vendor pursuant to the Sale and Purchase Agreement, representing approximately 20.83% of the entire issued share capital of the Company as at the date of this joint announcement, being the aggregate of the First Sale Shares and the Second Sale Shares
“Second Offeror”	Hugo Lucky Limited, which is a company incorporated in the British Virgin Islands with limited liability, the purchaser of the Second Sale Shares and the subscriber of the Second Subscription Shares
“Second Sale Shares”	7,500,000 Shares, representing approximately 10.42% of the entire issued share capital of the Company, held by the Vendor as at the date of this joint announcement
“Second Subscription Shares”	980,000,000 new Shares to be issued and allotted to the Second Offeror pursuant to the Subscription Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares

“Shareholders’ Indebtedness”	(i) working capital loans advanced by Mr. Tung Tat Wah to the Company from time to time up to the Subscription Completion Date, which amounts to approximately HK\$9.3 million as at 31 December 2013; and (ii) the directors’ fee due to Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah as at the Subscription Completion Date, which amounted to approximately HK\$7.2 million as at 31 December 2013. The working capital loans advanced by Mr. Tung Tat Wah to the Company are unsecured, interest free and no fixed term of repayment
“Special Deal”	the repayment of the Shareholders’ Indebtedness out of the proceeds from the Subscription, which constitutes special deal according to Note 5 to Rule 25 of the Takeovers Code
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Offerors and the allotment and issue by the Company of the Subscription Shares under the terms and the conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 30 April 2013 and entered into between the Company and the Offerors in relation to the Subscription as supplemented by the supplemental agreements dated 31 July 2013, 31 December 2013, 2 January 2014, 28 February 2014 and 28 March 2014 respectively
“Subscription Completion Date”	the fifth Business Day after the fulfillment of the conditions precedent to the Subscription Agreement (or such other date as the parties hereto may agree)
“Subscription Price”	a subscription price of HK\$0.1 per Subscription Share
“Subscription Share(s)”	1,400,000,000 new Shares to be subscribed by the Offerors, representing approximately 19.44 times of the entire issued share capital of the Company as at the date of this joint announcement, being the aggregate of the First Subscription Shares and the Second Subscription Shares
“Supplemental Subscription Agreement”	the supplement agreement entered into between the Company and the Offerors on 28 May 2014 in relation to amendment on terms of the Subscription Agreement
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers issued by the SFC
“Underwriters”	the Offerors, being the Underwriters of the Open Offer, who will take up all the Open Offer Shares not taken up by the Qualifying Shareholders

“Underwriting Agreement”	the underwriting agreement to be entered into between the Company and the Underwriters in related to the Open Offer
“Vendor”	Biggish Management Limited, which is a company incorporated in the British Virgin Islands, a substantial Shareholder holding approximately 20.83% of the entire issued share capital of the Company as at the date of this joint announcement and owned as to 60% and 40% by Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah respectively
“Yu Ming”	Yu Ming Investment Management Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation under the SFO authorised to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of directors

**Sharp Years Limited**

**Chan Pui Kwan**

*Director*

**Hugo Lucky Limited**

**Alex, Leung King Yue**

*Director*

By order of the Board

**Incutech Investments Limited**

**Tung Tat Wah**

*Executive Director*

Hong Kong, 28 May 2014

*As at the date of this joint announcement, the directors of the First Offeror comprises Ms. Wisery, Ho Hoi Yee, Ms. Lai Tsui Har, Mr. Tony, Wu Weihong and Ms. Chan Pui Kwan, who jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Second Offeror, the Group, the Vendor and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Second Offeror, the Group, the Vendor and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.*

*As at the date of this joint announcement, the sole director of the Second Offeror is Mr. Alex, Leung King Yue, who accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the First Offeror, the Group, the Vendor and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the First Offeror, the Group, the Vendor and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.*

*As at the date of this joint announcement, the Board of Directors comprises Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah as executive Directors; Mr. Allan, Kwok Ming Fai, Mr. Robert, Siu Siu Ling and Mr. Stephen, Lee Ming Ching as independent non-executive Directors. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Offerors and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offerors and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.*