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## **PICO FAR EAST HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 752)**

### **ANNOUNCEMENT DISCLOSEABLE TRANSACTION**

#### **THE ACQUISITION AND COMPLETION**

On 24 June 2019 (after trading hours), the Buyer, the Seller, the Target Company and Tons entered into the Purchase Agreement, pursuant to which the Buyer agreed to purchase and the Seller agreed to dispose of the Acquired Securities at the Purchase Price (subject to the adjustments as described under the paragraph headed “Adjustments to Consideration”). The Closing took place on the same day.

Upon Closing, the Target Company became an indirect subsidiary of the Company and its financial results will be consolidated into the Group’s consolidated financial statements.

#### **CALL OPTION, PUT OPTION AND PRE-EMPTIVE RIGHTS**

Pursuant to the Operating Agreement, there were granted to (i) the Buyer the Call Option to purchase all (but not less than all) the Remaining Units from the Other Members; (ii) Tons the Put Option to sell all (but not less than all) the Remaining Units owned by him and those held by his Affiliates and permitted transferees to the Buyer, in either case during the Option Period, for an aggregate purchase price in cash (which in either case shall not exceed US\$50,000,000); and (iii) the Members the Pre-emptive Rights.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction calculated on an aggregate basis is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements only but is exempted from shareholders’ approval requirement under the Listing Rules.

As the Seller shall be regarded as a connected person of the Company at the subsidiary level under the Listing Rules upon Closing, the transactions contemplated under any of the Call Option, the Put Option and the Pre-emptive Rights involving sale and purchase of membership units among the parties to the Operating Agreement shall constitute a connected transaction of the Company under the Listing Rules. The Company shall fully comply with the relevant requirements under the Listing Rules as and when appropriate if and when the Call Option, Put Option or the relevant Pre-emptive Rights are exercised.

## **BACKGROUND**

On 24 June 2019 (after trading hours), the Buyer, the Seller, the Target Company and Tons entered into the Purchase Agreement, pursuant to which the Buyer agreed to purchase and the Seller agreed to dispose of the Acquired Securities at the Purchase Price (subject to the adjustments as described under the paragraph headed “Adjustments to Consideration”).

## **THE PURCHASE AGREEMENT**

The principal terms of the Purchase Agreement are as follows:

**Date:** 24 June 2019 (after trading hours)

### **Parties**

Buyer: Pico North America, Inc., an indirect wholly-owned subsidiary of the Company

Target Company: Infinity Marketing Team, LLC

Seller: Infinity International Holding Corp.

Related Party: Chad Michael Tons, 100% legal and beneficial owner of the Seller

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Seller and Tons are Independent Third Parties.

## **Subject matter of the Acquisition**

The Acquired Securities represent 60% of the issued and outstanding equity interests of the Target Company, which, immediately prior to the Closing, were legally and beneficially owned as to 100% by the Seller.

## CONSIDERATION

### Purchase Price

The portion of the Purchase Price payable to the Seller consists of the following:

- (a) as to US\$16,501,260.60 (the “**Base Purchase Price**”);
- (b) (A) if Net Working Capital is greater than US\$796,901 (the “**Target NWC**”), plus 60% of (i) Net Working Capital less (ii) Target NWC or (B), if Net Working Capital is less than Target NWC, minus 60% of (i) Target NWC less (ii) Net Working Capital (such adjustment under (A) or (B), the “**NWC Adjustment**”);
- (c) minus Indebtedness of the Target Company (except for Indebtedness included in the NWC Adjustment) as of the Closing;
- (d) minus Seller’s Transaction Expenses as of the Closing;
- (e) minus Holdback Amount; and
- (f) plus Earn-Out Consideration.

### Indebtedness Repayment

At Closing, the Buyer paid to the holders of the Estimated Indebtedness of the Target Company (except for Indebtedness included in the NWC Adjustment) as of the Closing the applicable amounts in accordance with payoff letters or other written instructions provided by the holder thereof.

### Payment of Seller’s Transaction Expenses

At Closing, the Buyer paid to the recipients of the Estimated Seller’s Transaction Expenses of the Target Company as of the Closing the applicable amounts in accordance with invoices or other written instructions provided by the recipients thereof.

The Parties agreed that the aggregate of the NWC Adjustment, the Indebtedness, and the Seller’s Transaction Expenses, each as adjusted as provided for in the Purchase Agreement, shall not exceed the Base Purchase Price.

### Closing Payments

At Closing, the Buyer paid to the Seller the Closing Payment Amount in the sum of US\$12,964,989.20 and to other recipients the payments for the Seller’s Transaction Expenses in the sum of US\$1,621,210.25. Given that there was no amount paid under Indebtedness, the payments made at Closing in aggregate amounted to US\$14,586,199.45.

## **Maximum Purchase Price**

The maximum Purchase Price of US\$18,686,260.60 is comprised of the Base Purchase Price, the maximum Earn-Out Consideration and the Surplus Payment payable to the Seller.

The maximum Purchase Price was determined after arm's length negotiations between the Parties after taking into account the Target Company's business model, financial and operating performance including its latest financial position as shown in its management accounts as at 31 December 2018, and future prospects.

## **ADJUSTMENTS TO CONSIDERATION**

### **Purchase Price Adjustment**

The Purchase Price will be adjusted by the purchase price adjustment on a dollar-for-dollar basis which was agreed to be determined according to the following formula (the "**Purchase Price Adjustment**"). Capitalized terms in relation to the Purchase Price Adjustment follow the definitions below.

For the purpose of calculating the Purchase Price Adjustment:

- (a) if the Final Net Working Capital exceeds the Estimated Net Working Capital, then the Purchase Price shall be increased on a dollar-for-dollar basis by an amount equal to 60% of such excess;
- (b) if the Estimated Net Working Capital exceeds the Final Net Working Capital, then the Purchase Price shall be reduced on a dollar-for-dollar basis by an amount equal to 60% of such excess;
- (c) if the Final Indebtedness exceeds the Estimated Indebtedness, then the Purchase Price shall be reduced on a dollar-for-dollar basis by an amount equal to such excess;
- (d) if the Estimated Indebtedness exceeds the Final Indebtedness, then the Purchase Price shall be increased on a dollar-for-dollar basis by an amount equal to such excess;

- (e) if the Final Expenses exceed the Estimated Seller's Transaction Expenses, then the Purchase Price shall be reduced on a dollar-for-dollar basis by an amount equal to such excess; and
- (f) if the Estimated Seller's Transaction Expenses exceed the Final Expenses, then the Purchase Price shall be increased on a dollar-for-dollar basis by an amount equal to such excess.

Promptly after the determination of Final Net Working Capital, Final Indebtedness and Final Expenses:

- (a) in the case of a net increase in the Purchase Price that exceeds US\$65,000 (the **"Post-Closing Adjustment Threshold Amount"**), the Buyer shall pay to the Seller an aggregate dollar amount equal to the amount of such increase less the Post-Closing Adjustment Threshold Amount; and
- (b) in the case of a net decrease in the Purchase Price that exceeds the Post-Closing Adjustment Threshold Amount, Tons shall pay to the Buyer an aggregate dollar amount equal to the amount of such decrease less the Post-Closing Adjustment Threshold Amount.

**"Estimated Indebtedness"** means the Target Company's Indebtedness (except for Indebtedness included in the Estimated Net Working Capital) determined as of immediately prior to the Closing.

**"Estimated Seller's Transaction Expenses"** mean the Seller's Transaction Expenses determined as of immediately prior to the Closing.

**"Estimated Net Working Capital"** means the Net Working Capital determined as of immediately prior to the Closing.

**"Closing Statement"** means within 90 days after the Closing Date, the Buyer will deliver to the Seller (A) a balance sheet of the Target Company as of the Closing Date (the **"Closing Balance Sheet"**) and (B) the Buyer's reasonably detailed calculation of the proposed final Purchase Price based on the Base Purchase Price and the amount of the Target Company's Indebtedness (except for Indebtedness included in the Net Working Capital at Closing), the Net Working Capital at Closing, and the Seller's Transaction Expenses, all based on the terms and requirements of the Purchase Agreement.

**"Final Net Working Capital"**, **"Final Indebtedness"**, and **"Final Expenses"** mean Net Working Capital, Indebtedness and Seller's Transaction Expenses, in each case, as shown in the Closing Statement or as agreed by the Buyer and the Seller.

## Holdback Amount

The holdback amount of US\$1,850,000 (the “**Holdback Amount**”) was agreed to be retained by the Buyer on the Closing Date, subject to the following formula:

- (a) In the event that the Target Company’s 2019 EBITDA is less than US\$3,000,000, the entire Holdback Amount shall be disbursed to the Buyer and the Seller shall have no further entitlement thereto;
- (b) In the event that the Target Company’s 2019 EBITDA is US\$3,000,000 or greater but less than US\$4,960,000, an amount equal to (A) the Holdback Amount multiplied by (B) the sum of (US\$4,960,000 minus the 2019 EBITDA) divided by US\$1,960,000, shall be disbursed to the Buyer, and the Seller shall be entitled to the remainder;
- (c) In the event that the Target Company’s 2019 EBITDA is US\$4,960,000 or greater but less than US\$7,440,000, the Seller shall be entitled to the entire Holdback Amount; or
- (d) In the event that the Target Company’s 2019 EBITDA is US\$7,440,000 or greater, the Seller shall be entitled to the entire Holdback Amount plus an additional US\$185,000 (the “**Surplus Payment**”),

but all Holdback Amount that may be payable to the Seller shall remain subject to (i) claims relating to indemnifications from Tons and the Seller made by the Buyer under the Purchase Agreement and (ii) depending on any objection that the Seller may raise pursuant to provisions in the Purchase Agreement in respect of deficiency from the payments referred to (a) and (b) above, other provisions of the Holdback Amount relating to claims and indemnifications.

## Earn-Out Consideration

The earn-out consideration, up to a maximum of US\$2,000,000, is calculated based on the amount equal to (i) 0.5, multiplied by (ii) the Target Company’s 2019 EBITDA for the calendar year 2019 based on the 2019 audited financial statements (as finally determined) (the “**2019 EBITDA**”), multiplied by (iii) 60% (the “**Earn-Out Consideration**”). The Buyer will pay to the Seller the Earn-Out Consideration in three equal installments on or before 31 May 2020, 31 December 2020 and 31 December 2021. For example, if the 2019 EBITDA is US\$6,000,000, the amount of the Earn-Out Consideration would amount to US\$1,800,000 ((US\$6,000,000 x 0.5) x 60%).

The Buyer shall cause to be prepared and delivered to the Seller a statement reflecting the 2019 EBITDA and the Buyer’s calculations. If the Seller disputes the aforesaid calculation, the Parties will go through a dispute resolution process to determine the 2019 EBITDA.

## OPERATING AGREEMENT

At Closing, the Buyer and the Seller delivered to each other the executed Operating Agreement in relation to, among other matters, the management of the Target Company, the pre-emptive rights of (i) tag-along rights; (ii) drag-along rights; and (iii) right of first refusal (together the “**Pre-emptive Rights**”); the relationship among the Members; and the Call Option and Put Option.

The Operating Agreement provides that the Target Company shall have perpetual existence until dissolved. The Target Company shall be dissolved upon the occurrence of: (i) the written approval of the holders of 50% or more of the equity interests of the Members to dissolve the Target Company; or (ii) the sale of all or substantially all of the assets of the Target Company and the distribution to the Members of the proceeds thereof. The Operating Agreement shall be valid and binding on the Members for the period during which the Target Company exists.

### Composition of Management

The management of the Target Company is vested in managers (the “**Managers**”). Each Member agrees to vote all interests owned by such Member to ensure that the number of Managers shall be set and remain at 3 Managers.

At each annual or special meeting of Members at which an election of the Managers is held, the following persons shall be elected as Managers, so long as the Buyer owns (i) more than 50% of the interests of the Target Company, 2 persons designated by the Buyer; and (ii) at least 30% of the interests of the Target Company, 1 person designated by the Buyer. The balance of the Managers shall be designated by Tons.

A majority of the total number of incumbent Managers shall be necessary to constitute a quorum for the transaction of business at any meeting of the Managers. Any action requiring the approval of a Manager shall require the affirmative vote of the Managers constituting a simple majority, except certain matters listed in the Operating Agreement requiring the approval of the Managers designated by the Buyer and Tons, including but not limited to the issuance or grant of any new securities of the Target Company, the issuance of any dividend, distribution or repurchase of any equity, and the establishment of any subsidiary of the Target Company.

### Call Option and Put Option

Pursuant to the Operating Agreement, (i) the Buyer was granted a call option (the “**Call Option**”) to purchase all (but not less than all) the remaining 40% of the equity interests of the Target Company (the “**Remaining Units**”) from the Members (excluding the Buyer) (the “**Other Members**”); and (ii) Tons was granted a put option (the “**Put Option**”) to sell all (but not less than all) the Remaining Units owned by him and those held by his Affiliates and permitted transferees to the Buyer in either case at any time



between 1 January 2024 and 31 December 2028 (the “**Option Period**”). The purchase price for the Remaining Units shall be paid in cash. The Call Valuation and the Put Valuation shall be calculated according to certain agreed formulas (which in either case shall not exceed US\$50,000,000) (the “**Call Valuation**” and the “**Put Valuation**”, as the case may be). The Call Option and the Put Option shall lapse if not exercised during the Option Period.

#### *Exercise of Call Option*

The Buyer shall provide written notice of exercise (the “**Call Exercise Notice**”) to the Target Company, which must promptly provide a copy of such Call Exercise Notice to the Other Members.

The Buyer shall prepare and deliver to the Other Members a statement of the Call Valuation (the “**Call Valuation Notice**”), setting forth the Buyer’s computation of the Call Valuation in accordance with the provision of the Operating Agreement. If a majority in interest of the Other Members disagree with the computation of the Call Valuation, Tons, on behalf of the Other Members, shall deliver a notice of objection to the Buyer in relation to the determination of the components and calculation of the Call Valuation within the agreed period. Tons shall negotiate with the Buyer in good faith to resolve such disagreement.

If Tons and the Buyer are unable to resolve such dispute within the agreed period, they shall mutually agree on a nationally recognized accounting firm to engage to review the calculation of the Call Valuation. If the Call Valuation as determined by the accounting firm is different from the Call Valuation in the Call Valuation Notice, the Buyer may rescind its Call Exercise Notice by providing written notice to the Target Company, which must promptly provide a copy of such notice of rescission to the Other Members. Despite having rescinded the Call Option, the Call Option shall remain exercisable throughout the Option Period, and the exercise of the Call Option shall prevail over any rights exercised but remaining outstanding under the Pre-emptive Rights.

#### *Exercise of Put Option*

Tons shall provide written notice of exercise (the “**Put Exercise Notice**”) to the Target Company, which must promptly provide a copy of such Put Exercise Notice to the Buyer.



The Buyer shall prepare and deliver to Tons a statement of the Put Valuation (the “**Put Valuation Notice**”), setting forth the Buyer’s computation of the Put Valuation in accordance with the provision of the Operating Agreement, and if Tons disagrees with the computation of the Put Valuation, Tons shall deliver a notice of objection to the Buyer in relation to the determination of the components and calculation of the Put Valuation within the agreed period. The Buyer shall negotiate with Tons in good faith to resolve such disagreement.

If Tons and the Buyer are unable to resolve such dispute within the agreed period, they shall mutually agree on a nationally recognized accounting firm to engage to review the calculation of the Put Valuation. If the Put Valuation as determined by the accounting firm is different from the Put Valuation in the Put Valuation Notice, Tons may rescind his Put Exercise Notice by providing written notice to the Target Company, which must promptly provide a copy of such notice of rescission to the Buyer. Despite having rescinded the Put Option, the Put Option shall remain exercisable throughout the Option Period, and the exercise of the Put Option shall prevail over any rights exercised but remaining outstanding under the Pre-emptive Rights.

#### *Closing of exercising the Call Option and Put Option*

Immediately after the closing of an exercise of the Call Option or the Put Option, the Buyer shall own 100% of all equity interests in the Target Company.

The Company has not decided the time at which the Call Option shall be exercised and has confirmed with Tons that he has not decided when to exercise the Put Option, if ever. The Company will take into consideration the financial position and the performance of the Target Company when making such decision.

### **FINANCING OF THE ACQUISITION**

The Purchase Price will be satisfied by way of the internal resources of the Group and/or bank borrowing.

## **CLOSING**

In accordance with the Purchase Agreement, the Closing took place on the Closing Date, i.e., 24 June 2019 Pacific time.

Upon Closing, the Target Company is owned as to 60% by the Buyer and as to 40% by the Seller. Accordingly, the Target Company became an indirect subsidiary of the Company and its financial results will be consolidated into the Group's consolidated financial statements. The Seller shall be regarded as a connected person of the Company under the Listing Rules.

## **INFORMATION OF THE COMPANY, THE BUYER, THE SELLER AND TONS**

The Company is a Hong Kong-based investment holding company principally engaged in total brand activation, including the exhibition and event marketing services. The Company mainly operates through four segments: (1) Exhibition and Event Marketing Services segment is engaged in the provision of exhibition and event marketing services, including but not limited to the planning of exhibitions, campaign design and the production of video content; (2) Visual Branding Experiences segment is engaged in the provision of visual identity solutions for car brands, catering brands and financial brands, etc; (3) Museum, Themed Environment, Interior and Retail segment is mainly engaged in the design and decoration of showrooms and shops, etc; and (4) Conference and Show Management segment is engaged in the management of conferences and shows.

The Buyer is an indirect wholly-owned subsidiary of the Company. The Buyer is principally engaged in brand activation.

Tons founded the Target Company in 2002. He is responsible for executive leadership, strategy, operations and business development. Formerly he was a Senior Brand Marketing Manager at Adidas and before that was a Marketing Manager for Nike Sports Entertainment.

## INFORMATION OF THE TARGET COMPANY

The Target Company is a company organized in USA which is a marketing, event and promotion agency servicing clients throughout USA. The Target Company produces experiential events and provides services related to event execution, exhibit environments, mobile marketing tours, digital marketing, event furnishings, and brand marketing strategies.

Set out below is the financial information of the Target Company extracted from the unaudited management accounts of the Target Company for the two years ended 31 December 2017 and 31 December 2018, which have been prepared on an accrual basis:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2018</b>	2017
	<b>Unaudited</b>	Unaudited
	<b>(US\$)</b>	(US\$)
Net profits before taxation and extraordinary items	<b>4,814,000</b>	2,621,000
Net profits after taxation and extraordinary items	<b>4,751,000</b>	2,574,000

The unaudited net asset value of the Target Company was approximately US\$875,000 as at 31 December 2018.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in total brand activation, including the exhibition and event marketing services as well as other distinct businesses, such as visual branding experiences, museum and themed environment, interior and retail, conference and show management, temporary infrastructure for sporting events, and other related business.

The Group has been continuously dedicated to drive transformation, create success and remain focused on the Group's mission of being a global total brand activation company. The past acquisitions and developments had enhanced the Group with a business stream which creates dynamic customer experiences and brand activation by providing innovative responses and dimensional data-driven brand engagement solutions that blend digital and social marketing and other technology-based modes of engagements. The Target Company is one of the industry experts that specializes in producing experiential events and provides services related to event execution, exhibit environments, mobile marketing tours, digital marketing, event furnishings, and brand marketing strategies. The Acquisition will not only further expand the business exposure of the Group in the USA market but also enlarge the revenue stream of the Group. The Group could also leverage the expertise of the Target Company to enhance its existing businesses, which is in line with the business strategy of the Group as a whole.

## **BASIS OF CONSIDERATION**

The Purchase Price is determined and based on the historical and projected financial statements of the Target Company, as well as a business review of the service offering and scope of clients. The Buyer has taken a number of steps to evaluate the performance of the Target Company's business by conducting EBITDA analysis, operations analysis, balance sheet analysis, working capital analysis and cash comparison analysis.

The Company has conducted due diligence and investigation against the Target Company including legal due diligence and financial due diligence, as well as obtaining testimonials of customers of the Target Company.

Taking into account the aforementioned reasons and benefits, the Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction calculated on an aggregate basis is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements only but are exempted from shareholders' approval requirement under the Listing Rules.

As the Seller shall be regarded as a connected person of the Company at the subsidiary level under the Listing Rules upon Closing, the transactions contemplated under any of the Call Option, the Put Option and the Pre-emptive Rights involving sale and purchase of membership units among the parties to the Operating Agreement shall constitute a connected transaction of the Company under the Listing Rules. The Company shall fully comply with the relevant requirements under the Listing Rules as and when appropriate if and when the Call Option, Put Option or the relevant Pre-emptive Rights are exercised.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Acquisition”	the acquisition of the Acquired Securities by the Buyer from the Seller pursuant to the Purchase Agreement
“Affiliate(s)”	when used with reference to a specified Person, (i) the individual who is in ultimate control of a Member of the Person, (ii) any Person directly or indirectly controlling, controlled by or under common control with such Person, (iii) any Person owning or controlling more than 50% of the outstanding voting interests of such Person, and (iv) any custodian or trustee of any trust established exclusively for the benefit of such Member or a parent, sibling, spouse or descendant of such Member.
“Acquired Securities”	60 membership units of the Target Company, representing 60% of the issued and outstanding equity interests of the Target Company
“Board”	the board of Directors
“Buyer”	Pico North America, Inc., a corporation organized in Delaware, USA and an indirect wholly owned subsidiary of the Company
“Closing”	the completion of the Acquisition
“Closing Date”	the date of Closing, which took place on 24 June 2019 Pacific time
“Closing Payment Amount”	the net of (a) Base Purchase Price; (b) plus or minus the NWC Adjustment (as the case may be); (c) minus Indebtedness of the Target Company (except for Indebtedness included in the NWC Adjustment); (d) minus the Seller’s Transaction Expenses and (e) minus the Holdback Amount as described in the sub-paragraph headed “Purchase Price”
“Company”	Pico Far East Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange

“Director(s)”	the director(s) of the Company
“Earn-Out Consideration”	part of the Purchase Price of the Acquisition as specified in the section headed “Adjustments to Consideration” in this announcement
“EBITDA”	net income, plus interest expense, plus income tax expense, less income tax benefit, plus depreciation and amortization expense, plus any management fee paid pursuant to the management agreement of the Target Company, plus, with respect to the Target Company’s 2019 EBITDA only, (A) the costs (salary, benefits, payroll taxes and other employment-related taxes) paid or accrued with respect to a new sales representative, Gabe Wallace and (B) the Seller’s Transaction Expenses incurred in 2019 and paid by the Target Company, and the revenues and associated project costs from client relationships developed by Gabe Wallace shall be excluded
“Group”	the Company and its subsidiaries
“Holdback Consideration”	part of the Purchase Price of the Acquisition as specified in the section headed “Adjustments to Consideration” in this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Indebtedness”	all obligations including but limited to any created, issued, or incurred for borrowed money (whether by loan or the issuance and sale of debt securities) and all contingent financial obligations
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Member(s)”	holder(s) of the equity interests in the Target Company
“Net Working Capital”	with respect to the Target Company, its current assets plus deferred revenue less the current liabilities, less cash, loan receivables and tax refund receivables
“Operating Agreement”	the limited liability company operating agreement of the Target Company dated 24 June 2019 entered into among the Target Company, the Buyer and the Seller
“Parties”	the Buyer, the Target Company, the Seller and Tons in the Purchase Agreement
“Person(s)”	any individual(s) and any entity(ies)
“Purchase Agreement”	the unit purchase agreement dated 24 June 2019 entered into between the Buyer, the Seller, the Target Company and Tons, pursuant to which the Buyer agreed to purchase and the Seller agreed to dispose of the Acquired Securities at the Purchase Price (subject to the adjustments as described under the paragraph headed “Adjustments to Consideration”)
“Purchase Price”	the price payable by the Buyer for the Acquisition
“Seller”	Infinity International Holding Corp., a corporation organized in California, USA
“Seller’s Transaction Expenses”	all transaction expenses incurred or otherwise payable by the Target Company, the Seller or Tons, including all costs and expenses incurred directly or indirectly by Tons, the Seller or the Target Company, in connection with its obligations or transactions contemplated under the Purchase Agreement that remain unpaid as of the Closing.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Infinity Marketing Team, LLC, a limited liability company organized in California, USA
“Tons”	Chad Michael Tons
“Transaction”	the Acquisition contemplated under the Purchase Agreement and the Call Option and Put Option contemplated under the Operating Agreement



“USA”	the United States of America
“US\$”	United States dollar(s), the lawful currency of USA
“%”	percent

By Order of the Board  
**Pico Far East Holdings Limited**  
**Lawrence Chia Song Huat**  
*Chairman*

Hong Kong, 24 June 2019

*As at the date of this announcement, the Executive Directors are Mr. Lawrence Chia Song Huat, Ms. Jean Chia Yuan Jiun and Mr. Mok Pui Keung; and the Independent Non-Executive Directors are Mr. Gregory Robert Scott Crichton, Mr. James Patrick Cunningham, Mr. Frank Lee Kee Wai and Mr. Charlie Yucheng Shi.*