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**THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of the Offer, this Offer Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your Shares in ICO Group Limited, you should at once hand this Offer Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s), licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Offer Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Offer Document and the accompanying Form of Acceptance, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document and the accompanying Form of Acceptance.

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**TITAN WISE GROUP LIMITED**

**宏睿集團有限公司**

*(incorporated in the British Virgin Islands with limited liability)*

**VOLUNTARY CONDITIONAL CASH OFFER BY**



**FOR AND ON BEHALF OF**

**TITAN WISE GROUP LIMITED**

**TO ACQUIRE ALL ISSUED SHARES IN THE SHARE CAPITAL OF  
ICO GROUP LIMITED**

**(Stock Code: 1460)**

**(OTHER THAN THOSE SHARES ALREADY OWNED OR  
AGREED TO BE ACQUIRED BY  
TITAN WISE GROUP LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

**Financial adviser to the Offeror**



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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "DEFINITIONS" in this Offer Document.

A letter from Head & Shoulders Securities, amongst other things, details of the terms and conditions of the Offer is set out on pages 5 to 15 of this Offer Document. The procedures for acceptance and settlement of the Offer are set out on pages 16 to 20 in Appendix I to this Offer Document and in the accompanying Form of Acceptance.

Acceptances of the Offer must be received by the Receiving Agent, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by no later than 4:00 p.m. (Hong Kong time) on Monday, 23 March 2020 or such later time and/or date as the Offeror may determine and announce with the consent of the Executive, in accordance with the Takeovers Code.

24 February 2020

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## EXPECTED TIMETABLE

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*The timetable set out below is indicative and may be subject to changes. Any change to the timetable will be announced by the Offeror as and when appropriate. All the time and date references contained in this Offer Document and accompanying Form of Acceptance refer to Hong Kong times and dates.*

<b>Event</b>	<b>Time &amp; Date</b>
Despatch date of this Offer Document and the accompanying Form of Acceptance ( <i>Note 1</i> ) . . . . .	Monday, 24 February 2020
Commencement date of the Offer ( <i>Note 1</i> ) . . . . .	Monday, 24 February 2020
Latest date for the posting of the Response Document ( <i>Note 2</i> ) . . . . .	Monday, 9 March 2020
Latest time and date for acceptance of the Offer on the First Closing Date ( <i>Notes 3, 4 and 5</i> ) . . . . .	By 4:00 p.m. on Monday, 23 March 2020
Announcement of the results of the Offer and the level of acceptance as at the First Closing Date on the website of the Stock Exchange ( <i>Note 3</i> ) . . . . .	By 7:00 p.m. on Monday, 23 March 2020
Latest date for posting of remittances for amounts due in respect of valid acceptances received under the Offer on or before the First Closing Date (assuming the Offer becomes or is declared unconditional in all respects on the First Closing Date) ( <i>Note 6</i> ) . . . . .	Wednesday, 1 April 2020
Latest time and date for acceptance of the Offer assuming that the Offer becomes or is declared unconditional in all respects on the First Closing Date ( <i>Note 7</i> ) . . . . .	By 4:00 p.m. on Monday, 6 April 2020
Latest time and date by which the Offer can become or be declared unconditional as to acceptances ( <i>Note 8</i> ) . . . . .	By 7:00 p.m. on Friday, 24 April 2020

*Notes:*

- (1) The Offer is made on Monday, 24 February 2020, the Despatch Date, and is capable of acceptance on and from that date until 4:00 p.m. (Hong Kong time) on the First Closing Date, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code.

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## EXPECTED TIMETABLE

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- (2) Where a period laid down by the Takeovers Code ends on a day which is not a Business Day, the period is extended until the next Business Day. In accordance with the Takeovers Code, the Company is required to post the Response Document to the Shareholders within 14 days from the posting of this Offer Document, i.e., on or before Monday, 9 March 2020, unless the Executive consents to a later date and the Offeror agrees to extend the closing date by the number of days in respect of which the delay in the posting of the Response Document is agreed.
- (3) In accordance with the Takeovers Code, where the Response Document is posted after the date on which this Offer Document is posted, the Offer must initially be open for acceptance for at least 28 days following the date on which this Offer Document is posted. The Offer will be closed at 4:00 p.m. (Hong Kong time) on the First Closing Date unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offer until such date as it may determine subject to compliance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). An announcement will be issued by the Offeror through the website of the Stock Exchange by 7:00 p.m. (Hong Kong time) on the First Closing Date, stating the results of the Offer and whether the Offer has become or is declared unconditional or has been revised or extended to another Closing Date or until further notice. Such announcement will comply with the disclosure requirements under Rule 19.1 of the Takeovers Code. In the latter case, at least 14 days' notice in writing must be given, before the Offer is closed, to the Shareholders who have not accepted the Offer.
- (4) If there is a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal in force or "extreme conditions" caused by a super typhoon is announced by the Government of Hong Kong on the Closing Date and it is (i) not cancelled in time for trading on the Stock Exchange to resume in the afternoon on the Closing Date, the time and date of the close of the Offer will be postponed to 4:00 p.m. (Hong Kong time) on the next Business Day which does not have either of those warnings in force in Hong Kong or such other day as the Executive may approve; or (ii) cancelled in time for trading on the Stock Exchange to resume in the afternoon on the Closing Date, the time and date of the close of the Offer will be the same day, i.e., 4:00 p.m. (Hong Kong time) on the Closing Date.
- (5) Beneficial owners of the Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Offer Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Acceptances of the Offer are irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code. Please refer to the section headed "VI. RIGHT OF WITHDRAWAL" in Appendix I to this Offer Document for further information on the circumstances where acceptances may be withdrawn.
- (6) Remittances in respect of the Offer Shares (after deducting the sellers' ad valorem stamp duty) tendered for acceptance under the Offer will be despatched to the accepting Shareholders by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the later of (i) the date on which the Offer becomes or is declared unconditional in all respects and (ii) the date on which the duly completed Form of Acceptance and the relevant documents of title of the Offer Shares are received by the Receiving Agent to render each of such acceptance of the Offer complete and valid in accordance with the Takeovers Code, this Offer Document and the accompanying Form of Acceptance. Please refer to the section headed "I. PROCEDURES FOR ACCEPTANCE OF THE OFFER" and "III. SETTLEMENT OF THE OFFER" in Appendix I to this Offer Document and the accompanying Form of Acceptance for further information.
- (7) In accordance with the Takeovers Code, if the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), the Offer should remain open for acceptance for not less than 14 days thereafter. When the Offer becomes or is declared unconditional in all respects, at least 14 days' notice in writing must be given before the Offer is closed to those Shareholders who has not accepted the Offer. The Offeror has the right, subject to the Takeovers Code, to extend the Offer until such date as it may determine or as permitted by the Executive.

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## EXPECTED TIMETABLE

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- (8) In accordance with the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. (Hong Kong time) on the 60th day after the Despatch Date (or such later day as permitted by the Executive in accordance with the Takeovers Code). Accordingly, unless the Offer has previously become or been declared unconditional as to acceptances or has been extended with the consent of the Executive, the Offer will lapse at 7:00 p.m. (Hong Kong time) on Friday, 24 April 2020 (or such later day as permitted by the Executive in accordance with the Takeovers Code). In accordance with Rule 15.7 of the Takeovers Code, except with the consent of the Executive, all Conditions must be fulfilled or the Offer must lapse within 21 days of the First Closing Date or of the date the Offer becomes or is declared unconditional as to acceptances, whichever is later.

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## IMPORTANT NOTICES

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### NOTICE TO OVERSEAS SHAREHOLDERS

The making of the Offer to persons who are not residents in Hong Kong may be affected by the laws and regulations of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal, tax and regulatory requirements in their own jurisdictions. It is the responsibility of any Overseas Shareholders wishing to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. Please refer to the section headed “VIII. OVERSEAS SHAREHOLDERS” in Appendix I to this Offer Document.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offer Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. Subject to the requirements of applicable laws and the Takeovers Code, the Offeror does not assume any obligation to correct or update these forward-looking statements.

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## DEFINITIONS

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*In this Offer Document, the following expressions have the meanings set out below unless the context requires otherwise:*

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	the First Closing Date of the Offer (or any subsequent closing date as may be decided and announced by the Offeror and approved by the Executive)
“Company”	ICO Group Limited, incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 01460)
“Conditions”	the condition(s) to the Offer, as set out in the section headed “THE OFFER — Conditions to the Offer” set out in the Letter from Head & Shoulders Securities of this Offer Document
“Despatch Date”	24 February 2020, the date of despatch of this Offer Document
“Directors”	director(s) of the Company from time to time
“Executive”	the Executive Director of the Corporate Finance Division of the SFC, or any delegate of the Executive Director
“First Closing Date”	the first closing date as set out in the section headed “EXPECTED TIMETABLE” of this Offer Document, being 23 March 2020
“Form of Acceptance”	the form of acceptance and transfer of Share(s) in respect of the Offer accompanying this Offer Document
“Group”	the Company and its subsidiaries
“Head & Shoulders Securities”	Head & Shoulders Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the SFO and the offer agent to the Offeror

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## DEFINITIONS

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“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	24 January 2020, being the last trading day of the Shares on the Stock Exchange prior to the publication of the Offer Announcement
“Latest Practicable Date”	21 February 2020, being the latest practicable date prior to the printing of this Offer Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Merdeka Corporate Finance”	Merdeka Corporate Finance Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Offeror
“Mr. Lau”	Mr. Lau Chuen Yien, Calvin, one of the ultimate beneficial owners and a director of the Vendor
“Mr. Leong”	Mr. Leong Yeng Kit, the sole beneficial owner and director of the Offeror
“Mr. Tan”	Mr. Tan Yun Harn, one of the ultimate beneficial owners and a director of the Vendor
“Mr. Teoh”	Mr. Teoh Teng Guan, one of the ultimate beneficial owners and a director of the Vendor
“Offer”	the voluntary conditional cash offer made by Head & Shoulders Securities on behalf of the Offeror for all Offer Shares on the terms and conditions set out in this Offer Document and in compliance with the Takeovers Code
“Offer Announcement”	the announcement of the Offeror dated 3 February 2020 in relation to the Offeror’s firm intention to make the Offer
“Offer Document”	this offer document issued by the Offeror to the Shareholders in connection with the Offer in compliance with the Takeovers Code containing, amongst other things, information relating to the Offeror, the terms and conditions of the Offer and the Form of Acceptance



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## DEFINITIONS

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“Offer Facility”	a facility up to a maximum amount of HK\$70,000,000 granted by Head & Shoulders Securities to the Offeror to finance the amount payable by the Offeror upon acceptance of the Offer by cash in full
“Offer Period”	has the meaning ascribed to it in the Takeovers Code, being the period commencing from 3 February 2020 (being the date of the Offer Announcement) and ending on the Closing Date
“Offer Price”	the cash offer price of HK\$0.05 per Offer Share payable by the Offeror to the Shareholders for each Offer Share accepted under the Offer, subject to the terms of the Offer
“Offer Share(s)”	all the Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Titan Wise Group Limited, a company incorporated in the BVI with limited liability which is wholly-owned by Mr. Leong
“Overseas Shareholder(s)”	Shareholder(s) whose address(es), as shown on the register of Shareholders of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China, for the purpose of this Offer Document, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Receiving Agent”	Union Registrars Limited, the receiving and paying agent in relation to the Offer, situated at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Registrar”	Union Registrars Limited, the branch share registrar of the Company in Hong Kong, situated at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Relevant Period”	the period commencing from 3 August 2019, being the date falling six months preceding the date of the commencement of the Offer Period, up to and including the Latest Practicable Date
“Response Document”	the board circular required to be issued by the Company to all Shareholders in accordance with Rule 8.4 of the Takeovers Code
“Sale and Purchase Agreement”	the sale and purchase agreement entered into on 21 January 2020 between the Offeror and the Vendor pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase the Sale Shares at a total consideration of HK\$49,546,898 representing a price of HK\$0.05 per Sale Share

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## DEFINITIONS

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“Sale Shares”	990,937,960 Shares acquired off-market by the Offeror from the Vendor pursuant to the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.0025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-Backs published by the SFC
“Unconditional Date”	the date on which the Offer becomes or is declared unconditional in all respects, the latest time on which the Offeror can declare the Offer unconditional as to acceptances is 7:00 p.m. on Friday, 24 April 2020 (or such later date to which the Executive may consent)
“Vendor”	Rainbow Field Investment Limited, which to the best of the information, knowledge and belief of the Offeror, is beneficially owned as to 40% by Mr. Teoh, 29% by Mr. Tan and 31% by Mr. Lau
“%”	per cent.



Room 2511, 25/F  
Cosco Tower, 183 Queen's Road  
Central  
Hong Kong

24 February 2020

*To the Shareholders*

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL CASH OFFER BY**



**FOR AND ON BEHALF OF  
TITAN WISE GROUP LIMITED  
TO ACQUIRE ALL ISSUED SHARES IN THE SHARE CAPITAL  
OF ICO GROUP LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED OR  
AGREED TO BE ACQUIRED BY  
TITAN WISE GROUP LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

Reference is made to the Offer Announcement in relation to the Offer, pursuant to which it was announced that Head & Shoulders Securities would, on behalf of the Offeror, make a voluntary conditional cash offer in compliance with the Takeovers Code for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

This letter forms part of this Offer Document and sets out, among other things, details of the Offer, the reasons for making the Offer, the intentions of the Offeror in respect of the Group and certain background information of the Offeror. Further details on the terms of the Offer are set out in Appendix I to this Offer Document and the accompanying Form of Acceptance.

**THE OFFER**

The Offeror notified the Company on 24 January 2020 after trading hours that it intends to make the Offer (in compliance with the Takeovers Code) through Head & Shoulders Securities to acquire all the Shares not already owned or agreed to be acquired by it and parties acting in concert with it.

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## LETTER FROM HEAD & SHOULDERS SECURITIES

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As at the Latest Practicable Date, the Offeror held 990,937,960 Shares, representing approximately 15.92% of the issued share capital of the Company. Save for the aforesaid, the Offeror and parties acting in concert with it do not have any other interests in the share capital or voting rights of the Company.

Each of the Offeror, Mr. Leong and parties acting in concert with any of them is an independent third party of the Company and its connected persons immediately prior to the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement.

Set out below are the terms and conditions of the Offer made by Head & Shoulders Securities for and on behalf of the Offeror.

### **Consideration for the Offer**

Head & Shoulders Securities, on behalf of the Offeror, is making the Offer on the following basis:

For each Offer Share . . . . . HK\$0.05 in cash

All the Offer Shares to be acquired under the Offer shall be (a) fully-paid; (b) free from any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same; and (c) with all rights attached to the Shares including all rights to any dividends and other distributions hereafter declared, paid or made in respect thereof on or after the Despatch Date. To the best of the Offeror's knowledge and according to the published financial information of the Company, there has been no dividend or distribution declared by the Company for the financial year ended 31 March 2019, for the six months ended 30 September 2019 and up to the Latest Practicable Date. In the event that any dividends or distributions are declared after the Despatch Date, paid or made in respect thereof until the close of the Offer, the amount of such dividends or other distributions will be deducted from the Offer Price.

The Offer Price was determined after taking into account (i) the consideration for acquiring the Sale Shares at HK\$0.05 per Share; (ii) the market price of the Shares; and (iii) the Offeror's review of the Group's business based on the publicly available financial information of the Group.

The Offer Price shall be payable in cash. The Offeror reserves the right to revise the terms of the Offer in compliance with the Takeovers Code.

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## LETTER FROM HEAD & SHOULDERS SECURITIES

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### Comparison of value

The Offer Price of HK\$0.05 for each Offer Share represents:

- (a) a premium of approximately 25.00% over the closing price of HK\$0.040 per Share as quoted on the Stock Exchange on 24 January 2020, being the Last Trading Day immediately before the date of the Offer Announcement;
- (b) a premium of approximately 17.92% over the average closing price of HK\$0.0424 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (c) a premium of approximately 14.42% over the average closing price of HK\$0.0437 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 7.22% over the average closing price of HK\$0.0466 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day;
- (e) a discount of approximately 15.68% to the Company's audited consolidated net assets per Share of approximately HK\$0.0593 based on the Company's unaudited consolidated net assets attributable to the owners of the Company of approximately HK\$369.47 million as of 30 September 2019 and 6,225,393,129 Shares in issue as at the Latest Practicable Date; and
- (f) a discount of approximately 1.96% to the closing price of HK\$0.051 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

### Highest and lowest trading prices

During the Relevant Period, the highest and lowest closing prices for each Share as quoted on the Stock Exchange were HK\$0.059 on 25 October 2019 and 28 October 2019 and HK\$0.040 on 2 December 2019, 3 December 2019 and 24 January 2020, respectively.

### Conditions to the Offer

The Offer is conditional upon the satisfaction or waiver (as applicable) of the following conditions:

- (a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date in respect of such number of Shares which together with Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and the parties acting in concert with it together holding more than 50% of the voting rights of the Company;

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## LETTER FROM HEAD & SHOULDERS SECURITIES

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- (b) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading in the Shares as a result of the Offer and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either of the Offer or anything done or caused by or on behalf of the Offeror or the parties acting in concert with it;
- (c) no event, up to the Closing Date, having occurred which would make the Offer or the acquisition of any of the Shares under the Offer void, unenforceable or illegal or their implementation being prohibited or which would impose material conditions, limitations or obligations with respect to the Offer;
- (d) no relevant authority(ies) in Hong Kong, the Cayman Islands, and the BVI having taken or instigated any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offer or the acquisition of any of the Shares under the Offer void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to, the Offer (other than such items or events above as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Offer);
- (e) no event occurring or having occurred which is an event of default or other event giving any lender to any member of the Group a right to accelerate the repayment of any obligations prior to their stated maturity date arising from any financing documentation to which any member of the Group is a party or by which it is bound and no lender to any member of the Group indicating on or prior to the date to be stated in the offer document regarding the Offer as the Closing Date that it will exercise such rights to accelerate repayment or claim an event of default; and
- (f) since the date of the last audited consolidated financial statements of the Company, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of the Company or any other member of the Group.

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## LETTER FROM HEAD & SHOULDERS SECURITIES

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The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions set out above, save that Conditions (a) and (c) cannot be waived. For the avoidance of doubt, based on the publicly available information of the Company, the Offeror has no knowledge and information as to whether any event mentioned in Condition (e) above exists as at the Latest Practicable Date. The Offeror also noted the announcement of the Company dated 6 February 2020 in relation to the business update on the acquisition of O2O Limited (the “**Incident**”), and based on the publicly available information of the Company, the Offeror considers that there is no sufficient information to assess any impact of the fulfilment of Condition (f) of the Offer as at the Latest Practicable Date.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke the above Conditions as a basis for not proceeding with the Offer only if the circumstances which give rise to a right to invoke such Conditions are of material significance to the Offeror in the context of the Offer. If any of the Conditions cannot be fulfilled or waived by the Closing Date, the Offer will lapse.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offer or the fulfillment (or if applicable, waiver) of the Conditions in accordance with the Takeovers Code and the Listing Rules.

The latest time on which the Offeror can declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Offer Document (or such later date to which the Executive may consent).

**WARNING: The Offer may or may not become unconditional. Shareholders and/or potential investors should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

### *Value of the Offer*

Based on the published information of the Company available to the public as at the Latest Practicable Date, there were 6,225,393,129 Shares in issue and the Offeror is not aware of any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the Latest Practicable Date.

At the Offer Price of HK\$0.05 per Offer Share, the entire issued share capital of the Company is valued at approximately HK\$311,269,656. Based on 5,234,455,169 Shares not already held by the Offeror and parties acting in concert with it, the Offer is valued at approximately HK\$261,722,758.

### *Financial resources*

The Offeror intends to finance the total consideration payable under the Offer through (i) the Offeror’s own resources; and (ii) the Offer Facility provided by Head & Shoulders Securities. Under the terms of the Offer Facility, Mr. Leong has agreed to provide personal guarantee in favour of Head & Shoulders Securities and the Offer Shares to be acquired by



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## LETTER FROM HEAD & SHOULDERS SECURITIES

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the Offeror under the Offer will also be the collateral for the Offer Facility. Pursuant to the terms of the Offer Facility, all the Offer Shares acquired by the Offeror under the Offer will be charged, under a securities margin account maintained by the Offeror with Head & Shoulders Securities, in favour of Head & Shoulders Securities to secure the obligation of the Offeror under the Offer Facility upon the Offer Facility being drawn down. The payment of interest on, repayment of or security for any liability (contingent or otherwise) for the Offer Facility will not depend on any significant extent on the business of the Company. Merdeka Corporate Finance is satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptance of the Offer.

### *Effects of accepting the Offer*

By accepting the Offer, the relevant Shareholders will sell their respective Shares to the Offeror at the Offer Price free from any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same, and together with all rights accruing or attaching thereto, including (without limitation) all rights to any dividends and other distributions hereafter declared, paid or made in respect thereof on or after the Despatch Date. To the best of the Offeror's knowledge and according to the published financial information of the Company, there has been no dividend or distribution declared by the Company for the financial year ended 31 March 2019, for the six months ended 30 September 2019 and up to the Latest Practicable Date. In the event that any dividends or distributions are declared after the Despatch Date, paid or made in respect thereof until the close of the Offer, the amount of such dividends or other distributions will be deducted from the Offer Price.

### *Stamp duty*

Seller's ad valorem stamp duty payable by the Shareholders who accept the Offer and calculated at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable by the Offeror to the relevant Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of the accepting Shareholders and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

### *Settlement of consideration*

Provided that the Offer has become, or have been declared, unconditional in all respects, settlement of the consideration in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days following the date on which (i) the duly completed Form of Acceptance and the relevant documents of title of the Offer Shares are received by the Receiving Agent to render each such acceptance complete and valid; and (ii) when the Offer has become or is declared unconditional in all respects, whichever is later.



*Closing date of the Offer*

Pursuant to Rule 15.1 of the Takeovers Code, where the Response Document is posted after the Despatch Date, the Offer will be open for acceptances for at least 28 days following the Despatch Date. Once the Conditions have been fulfilled (or waived, if applicable), the Offer will be declared unconditional in all respects and at least 14 days' notice in writing will be given before the Offer is closed to those Shareholders who have not accepted the Offer.

**INFORMATION ON THE OFFEROR**

The Offeror is a company incorporated in the BVI on 11 July 2019 with limited liability. The principal activity of the Offeror is investment holding.

The Offeror is directly wholly-owned by Mr. Leong, who is also the sole director of the Offeror. Mr. Leong, aged 47, is a lawyer and was a banker by profession. He is currently a practicing lawyer practicing in partnership at the legal firm of Leong Yeng Kit & Co. which he founded and now serves as its managing partner. Mr. Leong was the founder director of OSK Indochina Bank Limited and OSK Indochina Securities Limited and was an independent non-executive director of RHB Indochina Bank Limited and RHB Indochina Securities Limited and had previously served on its remuneration and nominations committee, audit committee, risk management committee and new activities and products committee of both RHB Indochina Bank Limited and RHB Indochina Securities Limited. Mr. Leong is an experienced investor with over a decade of investment experience in various industries, including advertising and media, securities services, rubber and palm oil plantation, real estate, property development, electronics testing and product assurance facility, restaurant chains and private equity fund. Mr. Leong is interested in investing in industries with great potential and he is constantly looking for investment opportunities in Asia.

Mr. Leong, through the Offeror, acquired the Sale Shares from the Vendor pursuant to the Sale and Purchase Agreement as a bona fide purchaser for value without notice of the Incident and the Offeror has since become a registered Shareholder of the Sale Shares with valid title and assumed all the rights in the Sale Shares. As such, the Offeror does not consider the Incident has any impact on the validity of its acquisition of the Sale Shares. The Offeror decided to make the Offer after having considered (i) the price-to-earnings ratio of the Company as compared to other listed companies in Hong Kong with similar principal business activities is low; (ii) the financial performance of the Company since the date of listing demonstrated a general increasing trend; and (iii) future prospects and potential growth of the Company is optimistic.

Having considered the abovementioned, despite the fact that Mr. Leong does not have experience in the operation of the principal business of the Company as at the Latest Practicable Date, Mr. Leong has decided to acquire the Sale Shares and make the Offer in order to seize this investment opportunity. Apart from the changes to the Board composition as set out in the section headed "INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY", the Offeror has no existing plan or contemplation to terminate the employment of any other employees or other personnel of the Group. The

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## LETTER FROM HEAD & SHOULDERS SECURITIES

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Offeror and the majority of the new Directors proposed to be appointed to the Board have extensive professional and business management experience. The Offeror and all new Directors proposed to be appointed to the Board will ensure the existing principal business of the Company will be operated and managed by (i) existing key personnel of the Company, which including but not limited to senior management of the Company who are responsible for and familiar with the business operation of the Company; and/or (ii) engaging relevant management team with expertise in the IT industry.

### OFFEROR'S INTERESTS IN SECURITIES OF THE COMPANY

The Offeror confirms that as at the Latest Practicable Date:

- (a) save for 990,937,960 Shares, representing approximately 15.92% of the issued share capital of the Company, held by the Offeror, none of the Offeror and parties acting in concert with it owned or had control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (b) save for the acquisition of 990,937,960 Shares by the Offeror pursuant to the Sale and Purchase Agreement on 21 January 2020, none of Mr. Leong, the Offeror and any parties acting in concert with the Offeror had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period;
- (c) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares and shares of the Offeror and which might be material to the Offer and there is no arrangement of any kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between the Offeror or any parties acting in concert with it and any other person;
- (d) there is no agreement or arrangement to which the Offeror and parties acting in concert with the Offeror, is a party which relates to circumstances in which the Offeror may or may not seek to invoke a pre-condition or a condition to the Offer;
- (e) none of the Offeror nor any parties acting in concert with the Offeror has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (f) none of the Offeror nor any parties acting in concert with the Offeror has received any irrevocable commitment to accept or not accept the Offer;
- (g) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror, or any parties acting in concert with the Offeror;

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## LETTER FROM HEAD & SHOULDERS SECURITIES

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- (h) save for the total consideration of HK\$49,546,898 for the Sale Shares, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to the Vendor or any party acting in concert with the Vendor in connection with the sale and purchase of the Sale Shares;
- (i) there is no understanding, or arrangement, or agreement or special deal between the Offeror or any party acting in concert with it on the one hand, and the Vendor or any party acting in concert with the Vendor on the other hand;
- (j) there is no understanding, or arrangement or agreement or special deal between any Shareholders; and (a) the Offeror and any party acting in concert with it, or (b) the Company, its subsidiaries or associated companies;
- (k) save for the Offer Shares that will be charged to Head & Shoulders Securities, which at the Latest Practicable Date held no securities in the Company, under the Offer Facility, there was no agreement, arrangement for or understanding that any Shares acquired by the Offeror pursuant to the Offer would be transferred, charged or pledged to any other persons; and
- (l) the Vendor and its beneficial owners (i.e. Mr. Teoh, Mr. Lau and Mr. Tan) are not connected with and not acting in concert with the Offeror or Mr. Leong.

### INFORMATION ON THE COMPANY

The Company is incorporated in the Cayman Islands with limited liability. The Shares are currently listed on the main board of the Stock Exchange. According to the interim report of the Company for the six months ended 30 September 2019, the Company is an investment holding company and its subsidiaries are principally engaged in the businesses of IT application and solution development, IT infrastructure solutions, secondment services and maintenance and support services.

### INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY

It is the Offeror's intention to acquire a majority interest in the Company pursuant to the Offer. The intention of the Offeror is that the Group's existing principal activities will be maintained, and at the same time after completion of the Offer, the Offeror will conduct a review on the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. In this regard, the Offeror may look into business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules. The Offeror had not considered and identified any investment or business opportunities for the Company nor had the Offeror entered into any related

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## LETTER FROM HEAD & SHOULDERS SECURITIES

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agreement, arrangements, understandings or negotiation and there is no plan on any injection or disposal of any assets or businesses into/of the Group as at the Latest Practicable Date.

On 10 February 2020, pursuant to Article 64 of the articles of association of the Company, the Offeror served a requisition notice (the “**Requisition Notice**”) to the Board to require the Board to proceed forthwith, but in any event within 21 days of the date of the deposit of the Requisition Notice to convene an extraordinary general meeting of the Company for the purpose of considering and approving the resolutions to remove all existing Directors and appoint 11 new Directors to the Board.

The Offeror has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. However, after the Offer the Offeror will continuously review the operation of the Group and the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group’s businesses and operations to optimise the value of the Group.

### **COMPULSORY ACQUISITION**

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

### **MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) that there are insufficient Shares in public hands to maintain an orderly market; it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. Mr. Leong, the sole director of the Offeror and the new Directors proposed to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

### **ADDITIONAL INFORMATION**

Your attention is also drawn to the accompanying Form of Acceptance and the additional information set out in the appendices to this Offer Document, all of which form part of this Offer Document.

Following the despatch of the Offer Document by the Offeror, the Company will be required under the Takeovers Code to send to all Shareholders the Response Document within 14 days. The Response Document will include the views of the Board and the independent board committee of the Company on the Offer, and the letter of advice from

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**LETTER FROM HEAD & SHOULDERS SECURITIES**

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the independent financial adviser appointed by the Company in relation to the Offer. Shareholders are advised to read the Offer Document and the Response Document before taking any action in respect of the Offer.

Yours faithfully,  
For and on behalf of  
**Head & Shoulders Securities Limited**  
**Wilson Chan**  
*Director*

**I. PROCEDURES FOR ACCEPTANCE OF THE OFFER**

- (i) To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms and conditions of the Offer.
- (ii) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares, you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer, by post or by hand, to the Receiving Agent, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, in an envelope marked “ICO Group Limited — Offer”, as soon as possible and in any event no later than 4:00 p.m. (Hong Kong time) on the Closing Date, being the First Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.
- (iii) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your holding of Shares (whether in full or in part), you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorizing it to accept the Offer on your behalf and requesting it to deliver in an envelope marked “ICO Group Limited — Offer” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Receiving Agent; or
  - (ii) arrange for the Offer Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked “ICO Group Limited — Offer” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Receiving Agent; or

- (iii) if your Offer Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (iv) if your Offer Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS phone system or CCASS internet system on or before the deadline set out by HKSCC Nominees Limited.
- (iv) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Share is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed and delivered in an envelope marked "ICO Group Limited — Offer" to the Receiving Agent together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares or that it/they is/are not readily available. If you subsequently find such document(s) or if it/they become(s) available, the relevant share certificate(s) should be forwarded to the Receiving Agent as soon as possible thereafter. If you have lost your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should report the loss to the Registrar and request the Registrar to replace your share certificate(s). You should also write to the Receiving Agent requesting a letter of indemnity which, when completed in accordance with the instructions given therein, should be returned to the Receiving Agent. The Offeror shall have the absolute discretion to decide whether any Offer Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.
- (v) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it in an envelope marked "ICO Group Limited — Offer" to the Receiving Agent together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable instruction and authority to each of the Offeror and/or Head & Shoulders Securities or their respective agent(s) to collect from the Company or the Registrar on your behalf



the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Receiving Agent on your behalf and to authorise and instruct the Receiving Agent to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Receiving Agent with the Form of Acceptance.

- (vi) Acceptance of the Offer will be treated as valid only if the completed and signed Form of Acceptance is received and recorded by the Receiving Agent by no later than 4:00 p.m. (Hong Kong time) on the Closing Date, and is: (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in your favor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or (ii) from a registered Shareholder or his/her/its personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (vi)); or (iii) certified by the Registrar or the Stock Exchange. If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Receiving Agent must be produced.
- (vii) No acknowledgement of receipt of any Form(s) of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (viii) If the Offer is invalid, withdrawn or lapses, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Receiving Agent will be returned to the Shareholders who have accepted the Offer by ordinary post at the Shareholders' own risk as soon as possible but in any event within 10 days after the Offer has lapsed.

## II. ACCEPTANCE PERIOD AND REVISIONS

- (a) In order to be valid for the Offer, the Form of Acceptance must be received by the Receiving Agent by 4:00 p.m. (Hong Kong time) on the Closing Date in accordance with the instructions printed thereon, unless the Offer becomes or is declared unconditional or have been extended or revised with the consent of the Executive. The Offer is conditional upon, amongst others, the Offeror having received valid acceptances (and, where permitted, such acceptances not having been withdrawn) in respect of the Offer which will result in the Offeror and persons acting in concert with it holding more than 50% of the voting rights of the Company;



- (b) If the Offer is extended or revised, an announcement of such extension or revision will state the next Closing Date or, if the Offer has become unconditional (whether as to acceptances or in all respects), the announcement may contain a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offer is closed to the Shareholders who have not accepted the Offer, and an announcement will be released. The revised Offer will be kept open for at least 14 days thereafter. If, in the course of the Offer, the Offeror revises the terms of the Offer, all Shareholders, whether or not they have already accepted the Offer, will be entitled to the revised terms.
- (c) Any acceptance of the relevant revised Offer shall be irrevocable unless and until the Shareholders who accept the Offer become entitled to withdraw their acceptance under the section headed "VI. RIGHT OF WITHDRAWAL" of this appendix below and duly do so.
- (d) Save as required by the Takeovers Code, there is no obligation to extend the Offer if the Conditions are not satisfied (or waived, if applicable) by the Closing Date.

### **III. SETTLEMENT OF THE OFFER**

- (a) Subject to the Offer becoming or being declared unconditional in all respects and provided that a valid Form of Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the Receiving Agent no later than the latest time for acceptance on the Closing Date, a cheque for the amount due to each of the Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him/her/it under the Offer will be despatched to such Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) Business Days following the later of (i) the date of on which the Offer becomes or is declared unconditional in all respects and (ii) the date of receipt of the duly completed Form of Acceptance and all the relevant documents by the Receiving Agent to render such acceptance complete and valid.
- (b) Settlement of the consideration to which any accepting Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect to the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Shareholder.
- (c) No fractions of a cent will be payable and the amount of consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

- (d) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honored and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

#### **IV. ANNOUNCEMENTS**

- (a) The announcement of the results of the Offer will be issued by the Offeror and posted on the website of the Stock Exchange by 7:00 p.m. (Hong Kong time) on the Closing Date. Such announcement will comply with the disclosure requirements under Rule 19.1 of the Takeovers Code and will include, among other things, the results of the Offer.
- (b) The results announcement shall specify the total number of Shares:
  - (i) for which acceptances of the Offer have been received;
  - (ii) held, controlled or directed by the Offeror and/or any parties acting in concert with it before the Offer Period; and
  - (iii) acquired or agreed to be acquired during the Offer Period by the Offeror and/or any parties acting in concert with it.
- (c) The results announcement must include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and/or any parties acting in concert with it have borrowed or lent, save for any borrowed shares which have been either on-lent or sold.
- (d) The results announcement must also specify the percentages of the total issued Shares and the percentages of voting rights of the Company represented by these numbers of Shares. In computing the total number or principal amount of Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in section headed “I. PROCEDURES FOR ACCEPTANCE OF THE OFFER” of this appendix, and which have been received by the Receiving Agent no later than 4:00 p.m. (Hong Kong time) on the First Closing Date, unless the Offers become or are declared unconditional, or are extended or revised with the consent of the Executive, shall be included.
- (e) As required under the Takeovers Code, all announcements in relation to the Offer must be made in accordance with the requirements of the Takeovers Code and the Listing Rules respectively.

#### **V. NOMINEE REGISTRATION**

To ensure the equality of treatment of all Shareholders, registered Shareholders who hold the Share(s) as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial

owners of Share(s) whose investments are registered in the names of nominees to accept the Offer, it is essential that they provide instructions of their intentions to the Offer to their respective nominees.

## **VI. RIGHT OF WITHDRAWAL**

- (a) Acceptance of the Offer tendered by the Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in subparagraph (b) below or in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offer shall be entitled to withdraw his/her/its acceptance after 21 days from the First Closing Date if the Offer has not by then become unconditional as to acceptances. An acceptor of the Offer may withdraw his/her/its acceptance by lodging a notice in writing signed by the acceptor (or his/her/its agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Receiving Agent.
- (b) If the Offeror is unable to comply with the requirements set out in the section headed “IV. ANNOUNCEMENTS” of this appendix above, the Executive may require that the Shareholders who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that section are met.
- (c) When any Shareholder(s) withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to the relevant Shareholder(s) at his/her/its own risks.

## **VII. TAXATION**

- (a) Seller’s ad valorem stamp duty payable by the Shareholders who accept the Offer and calculated at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable by the Offeror to the relevant Shareholders on acceptance of the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be round up to the nearest HK\$1). The Offeror will arrange for payment of the sellers’ ad valorem stamp duty on behalf of the accepting Shareholders and will pay the buyer’s ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (b) Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Offer. It is emphasized that none of the Offeror and its ultimate beneficial owner and parties acting in concert with any of them, Head & Shoulders Securities, the

Receiving Agent or any of their respective directors or professional advisers or any persons involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance of the Offer.

### **VIII. OVERSEAS SHAREHOLDERS**

- (a) The making of the Offer to persons who are not residents in Hong Kong may be affected by the laws and regulations of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable legal, tax and regulatory requirements in their own jurisdictions.
- (b) It is the responsibility of any Overseas Shareholders wishing to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. Any acceptance by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

### **IX. GENERAL**

- (a) All communications, notices, Forms of Acceptance, share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, Head & Shoulders Securities and any of their respective directors nor the Receiving Agent or other parties involved in the Offer or any of their respective agents accept any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the accompanying Form of Acceptance form part of the terms of the Offer.
- (c) The accidental omission to despatch this Offer Document and/or the accompanying Form of Acceptance to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror, Head & Shoulders Securities or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be

necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares in respect of which such person or persons has/have accepted the Offer.

- (f) By accepting the Offer, subject to the Offer becoming unconditional in all respects, the Offer Shares will be acquired by the Offeror (i) with all rights attached thereto as at the Despatch Date or subsequently attached thereto, including the right to receive in full all distributions declared, made or paid, if any, by reference to a record date which is on or after the Despatch Date, in the event that any dividends or distributions are declared after the Despatch Date, paid or made in respect thereof until the close of the Offer, the amount of such dividends or other distributions will be deducted from the Offer Price; and (ii) free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.
- (g) Any Shareholders accepting the Offer will be responsible for payment of any other transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdictions due by such persons.
- (h) In making their decision, the Shareholders must rely on their own examination of the Group and the terms of the Offer, including the merits and risks involved. The contents of this Offer Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, Head & Shoulders Securities or their respective professional advisers or any other person. The Shareholders should consult their own professional advisers for professional advice.
- (i) Following the despatch of the Offer Document by the Offeror, the Company will be required under the Takeovers Code to send to all Shareholders the Response Document within 14 days. The Response Document will include the views of the Board and the independent board committee of the Company on the Offer, and the letter of advice from the independent financial adviser appointed by the Company in relation to the Offer. Shareholders are advised to also read the Response Document before taking any action in respect of the Offer.
- (j) This Offer Document has been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Offer in Hong Kong and the operating rules of the Stock Exchange.
- (k) Should any Shareholders have any enquiries concerning administrative matters, such as dates, documentation and procedures relating to the Offer, the Shareholders may contact the Receiving Agent at its hotline at (852) 2849 3399 during the period from 24 February 2020 to the Closing Date (both days inclusive) between 9:00 a.m. and 4:00 p.m. (Hong Kong time) from Mondays to Fridays (other than public holidays). Only administrative matters will be answered and no information or other advice relating to the Offer will be given.

- (l) Reference to the Offer in this Offer Document and in the Form of Acceptance shall include any extension or revision thereof and references to the Offer becoming unconditional in all respects shall include a reference to the Offer being declared unconditional in all respects.
- (m) The Offer is made in accordance with the Takeovers Code.
- (n) All acceptances, instructions, authorities and undertakings given by the Shareholders in the Form of Acceptance shall be irrevocable except as permitted under the Takeovers Code.

**X. INTERPRETATION**

- (a) A reference in this Offer Document to a Shareholder includes a reference to a person(s) who, by reason of an acquisition or transfer of Offer Shares, is entitled to execute a Form of Acceptance and in the event of more than one person executing a Form of Acceptance, the provisions of this Offer Document apply to them jointly and severally.
- (b) Reference to the Offer in this Offer Document and in the Form of Acceptance shall include any extension or revision thereof.
- (c) A reference in this Offer Document and the Form of Acceptance to the masculine gender includes the feminine and neuter genders, and a reference to the singular includes the plural, and vice versa.

## I. RESPONSIBILITY STATEMENT

This Offer Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offer, the Offeror and the Group.

Mr. Leong, being the sole director of the Offeror, solely accepts full responsibility for the accuracy of the information contained in this Offer Document and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Offer Document have been arrived at after due and careful consideration and there are no other facts not contained in this Offer Document, the omission of which would make any statement in this Offer Document misleading.

The information relating to the Group in this Offer Document has been extracted from or based on the published information of the Company. The only responsibility accepted by Mr. Leong in respect of such information is for the correctness and fairness of its reproduction or presentation.

## II. MARKET PRICES

The table below shows the closing price per Share quoted on the Stock Exchange on (i) the last Business Day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

<b>Date</b>	<b>Closing price per Share (HK\$)</b>
30 August 2019	0.056
30 September 2019	0.054
31 October 2019	0.055
29 November 2019	0.044
31 December 2019	0.047
24 January 2020	0.040
Last Trading Day	0.040
Latest Practicable Date	0.051

During the Relevant Period, the highest and lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.059 on 25 October 2019 and 28 October 2019 and HK\$0.040 on 2 December 2019, 3 December 2019 and 24 January 2020, respectively.



**III. DISCLOSURE OF INTERESTS****(i) Interests and dealings of the Offeror**

The sole shareholder of the Offeror is Mr. Leong. As at the Latest Practicable Date, the Offeror directly held 990,937,960 Shares, representing approximately 15.92% of the total issued Shares of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Offeror, Mr. Leong and parties acting in concert with any of them had any interest in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

**(ii) Additional disclosures of interest and dealings in Shares**

The Offeror confirms that as at the Latest Practicable Date:

- (a) save for 990,937,960 Shares, representing approximately 15.92% of the issued share capital of the Company, held by the Offeror, none of the Offeror and parties acting in concert with it owned or had control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (b) save for the acquisition of 990,937,960 Shares by the Offeror pursuant to the Sale and Purchase Agreement on 21 January 2020, none of Mr. Leong, the Offeror and any parties acting in concert with any of them had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period;
- (c) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares and shares of the Offeror and which might be material to the Offer and there is no arrangement of any kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between the Offeror or any parties acting in concert with it and any other person;
- (d) there is no agreement or arrangement to which the Offeror and parties acting in concert with the Offeror, is a party which relates to circumstances in which the Offeror may or may not seek to invoke a pre-condition or a condition to the Offer;
- (e) none of the Offeror nor any parties acting in concert with the Offeror has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (f) none of the Offeror nor any parties acting in concert with the Offeror has received any irrevocable commitment to accept or not accept the Offer;



- (g) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror, or any parties acting in concert with the Offeror;
- (h) save for the total consideration of HK\$49,546,898 for the Sale Shares, there is no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror or any parties acting in concert with it to the Vendor or any party acting in concert with the Vendor in connection with the sale and purchase of the Sale Shares;
- (i) there is no understanding, or arrangement, or agreement or special deal between the Offeror or any party acting in concert with it on the one hand, and the Vendor or any party acting in concert with the Vendor on the other hand;
- (j) there is no understanding, or arrangement; or agreement or special deal between any Shareholders; and (a) the Offeror and any party acting in concert with it, or (b) the Company, its subsidiaries or associated companies;
- (k) save for the Offer Shares that will be charged to Head & Shoulders Securities, which at the Latest Practicable Date held no securities in the Company, under the Offer Facility, there was no agreement, arrangement for or understanding that any Shares acquired by the Offeror pursuant to the Offer would be transferred, charged or pledged to any other persons; and
- (l) the Vendor and its beneficial owners (i.e. Mr. Teoh, Mr. Lau and Mr. Tan) are not connected with and not acting in concert with the Offeror or Mr. Leong.

#### **IV. ARRANGEMENTS IN CONNECTION WITH THE OFFER**

As at the Latest Practicable Date:

- (i) there was no arrangement whereby any director of the Company would be given any benefit as compensation for loss of office or otherwise in connection with the Offer;
- (ii) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any parties acting in concert with it and any director of the Company, recent director of the Company, Shareholders or recent Shareholders which had any connection with or dependence upon the Offer; and
- (iii) there was no agreement or arrangement to which the Offeror or any party acting in concert with it, is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.

**V. EXPERT AND CONSENT**

The following are the qualifications of the experts who have given opinions or advices which are contained or referred to in this Offer Document:

<b>Name</b>	<b>Qualifications</b>
Head & Shoulders Securities	Head & Shoulders Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the SFO
Merdeka Corporate Finance	Merdeka Corporate Finance Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, each of the experts mentioned above had given and had not withdrawn its written consent to the issue of this Offer Document with the inclusion of its letter, advice and/or references to its name in the form and context in which it is included.

**VI. MISCELLANEOUS**

As at the Latest Practicable Date:

- (i) the sole beneficial owner and director of the Offeror is Mr. Leong Yeng Kit;
- (ii) the registered office of the Offeror is situated at 3rd Floor, J&C Building, Road Town, Tortola, British Virgin Islands, VG1110;
- (iii) Head & Shoulders Securities is the agent making the Offer for and on behalf of the Offeror and its registered office is situated at Room 2511, 25/F, Cosco Tower, 183 Queen's Road Central, Hong Kong;
- (iv) Merdeka Corporate Finance is the financial advisor to the Offeror and its registered office is situated at Room 1108, 11/F, Wing On Centre, 111 Connaught Road Central, Hong Kong; and
- (v) the English text of this Offer Document and the accompanying Form of Acceptance shall prevail over the Chinese text in case of inconsistency.

**VII. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection on the websites of the SFC ([www.sfc.hk](http://www.sfc.hk)) and the Offeror ([www.titanwise1460.com](http://www.titanwise1460.com)) and the office of Michael Li & Co., the legal adviser to the Offeror, during normal business hours from 9:00 am to 6:00 pm on Monday to Friday (except public holidays), at 19/F., Prosperity Tower No. 39 Queen's Road Central, Central, Hong Kong during the period from the date of this Offer Document until the end of the Offer Period:

- (i) the Memorandum and Articles of Association of the Offeror;
- (ii) the letter from Head & Shoulders Securities, the text of which is set out on pages 5 to 15 of this Offer Document; and
- (iii) the written consents referred to in the section headed "V. EXPERT AND CONSENT" in this appendix.