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SKYWORTH
SKYWORTH GROUP LIMITED
創維集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00751)

**CONDITIONAL CASH OFFER BY
DBS ASIA CAPITAL LIMITED ON BEHALF OF
SKYWORTH GROUP LIMITED
TO BUY-BACK UP TO 392,800,000 SHARES
AT HK\$2.80 PER SHARE**

AND

APPLICATION FOR WHITEWASH WAIVER

POLL RESULTS OF THE ADJOURNED SPECIAL GENERAL MEETING

Financial Adviser to the Company



The Board is pleased to announce that the ordinary resolution and special resolution as set out in the SGM Notice to approve the Offer and the Whitewash Waiver, respectively, were duly passed by the Independent Shareholders by way of poll at the adjourned SGM held on Thursday, 20 August 2020.

As all the Conditions have been fulfilled, the Offer has become unconditional on Thursday, 20 August 2020 and will remain open for acceptance until 4:00 p.m. (Hong Kong time) on Thursday, 3 September 2020.

Independent Shareholders are advised to read the Offer Document carefully, including the recommendation from the Independent Board Committee and the advice of the Independent Financial Adviser, before deciding whether or not to accept the Offer. Independent Shareholders should also note that their voting decisions on the ordinary resolution and special resolution proposed at the adjourned SGM approving the Offer and the Whitewash Waiver, respectively, shall not affect their decisions as to whether to accept the Offer or not. Shareholders are advised to consult their professional advisers when in doubt.

References are made to the offer document (the “**Offer Document**”) of Skyworth Group Limited (the “**Company**”) dated 27 July 2020 in relation to, among other things, the Offer and the Whitewash Waiver and the announcement of the Company dated 18 August 2020 in relation to the adjournment of the SGM. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Offer Document.

POLL RESULTS OF THE ADJOURNED SGM

The Board is pleased to announce that at the adjourned SGM held on Thursday, 20 August 2020, the ordinary resolution and special resolution as set out in the notice of the SGM dated 27 July 2020 (the “**SGM Notice**”) were duly passed by the Independent Shareholders by way of poll. Results of the poll are set out as follows:

Ordinary Resolution	Number of Votes (%)	
	For	Against
To approve the Offer [#]	589,395,109 (99.69%)	1,832,747 (0.31%)
As more than 50% of the votes were cast in favour of the above resolution, the resolution was duly passed as an ordinary resolution.		
Special Resolution	Number of Votes (%)	
	For	Against
To approve the Whitewash Waiver [#]	582,719,952 (98.56%)	8,501,575 (1.44%)
As more than 75% of the votes were cast in favour of the above resolution, the resolution was duly passed as a special resolution.		

[#] The full text of the resolutions is set out in the SGM Notice.

At the date of the adjourned SGM, the Company has a total of 3,060,929,420 Shares in issue. In accordance with the Listing Rules and the Codes and as disclosed in the Offer Document, (i) the Wong Concert Party Group, which were interested in an aggregate of 1,251,317,900 Shares as at the date of the adjourned SGM, and (ii) the Undertaking Directors and Ms. Tang Yan, the spouse of Mr. Shi Chi (a Director), who were interested in an aggregate of 27,517,966 Shares as at the date of the adjourned SGM, were required to, and did, abstain from voting on the above resolutions at the adjourned SGM. Therefore, the total number of Shares entitling the Independent Shareholders to attend and vote on the above resolutions at the adjourned SGM was 1,782,093,554 Shares. As disclosed in the Offer Document, pursuant to the trust deed of the Share Award Scheme, the trustee of the Share Award Scheme shall not exercise the voting rights attached to the Shares held by it, and accordingly, the trustee did not vote at the adjourned SGM. Members of the DBS Group who are exempt principal traders for the purposes of the Takeovers Code did not exercise the voting rights attached to the Shares held in their names (other than those Shares held by such exempt principal traders as simple custodians for and on behalf of non-discretionary clients who are entitled to vote in the context of the Offer (to the extent that the relevant exempt principal trader is aware, having made reasonable enquiries) and over which such exempt principal traders have no voting discretion) in relation to the above resolutions.

Save as disclosed above, there were no Shares entitling the holders thereof to attend where such holders were required to abstain from voting in favour of the above resolutions at the adjourned SGM pursuant to Rule 13.40 of the Listing Rules, and no Shareholders were required to abstain from voting at the adjourned SGM under the Listing Rules and the Codes nor did any person state any intention in the Offer Document to vote against or to abstain from voting on the resolutions at the adjourned SGM.

Hong Kong Registrars Limited, the branch share registrar of the Company in Hong Kong, acted as the scrutineer for the vote-taking at the adjourned SGM.

GRANT OF THE WHITEWASH WAIVER

On 18 August 2020, the Executive has granted the Whitewash Waiver, subject to (i) the Whitewash Waiver and the underlying transaction of the Whitewash Waiver (including the Offer) being separately approved by at least 75% and more than 50% respectively of the votes cast by the Independent Shareholders either in person or by proxy at the adjourned SGM, to be taken on a poll; and (ii) unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by Mr. Wong and his concert parties between the date of the Announcement, being 17 June 2020, and the completion of the Offer.

As at the date of this announcement, the aforementioned condition (i) has been fulfilled. Accordingly, subject to fulfillment of condition (ii) as mentioned above, Mr. Wong will not be required to make a mandatory general offer for all the Shares not already owned by him and parties acting in concert with him as a result of the completion of the Offer.

FULFILLMENT OF THE CONDITIONS OF THE OFFER

As disclosed in the Offer Document, the Offer is subject to the Conditions being fulfilled in full. As all the Conditions have been fulfilled, the Offer has become unconditional on Thursday, 20 August 2020 and will remain open for acceptance until 4:00 p.m. (Hong Kong time) on Thursday, 3 September 2020.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below shows the Company's existing shareholding structure and the shareholding structure immediately after the close of the Offer, assuming that (i) all the Qualifying Shareholders will accept the Offer in full (and taking into account the fact that each of Mr. Wong, Ms. Lin, the Undertaking Directors and Ms. Tang Yan has irrevocably undertaken to the Company that he or she will not, and will procure the holders of Shares whose Shares he or she is deemed to be interested in by virtue of Part XV of the SFO (including Target Success) not to, accept the Offer); and (ii) no additional Shares will be issued from the date of this announcement up to and including the date of the close of the Offer (save as a result of any exercise of the Share Options by their holders):

Name of Shareholder	As at the date of this announcement		Immediately after the close of the Offer (assuming no Share Options will be exercised from the date of this announcement up to and including the date of close of the Offer)			Immediately after the close of the Offer (assuming all Share Options which are vested as at the date of this announcement have been fully exercised before close of the Offer)		
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
Wong Concert Party Group								
Target Success (Note 1)	1,200,958,799	39.23	1,200,958,799	45.01	1,200,958,799	43.03		
Mr. Wong (Note 2)	37,300,000	1.22	37,300,000	1.40	37,300,000	1.34		
Ms. Lin (Note 3)	9,160,382	0.30	9,160,382	0.34	9,160,382	0.33		
Mr. Lin (Note 4)	3,898,719	0.13	3,898,719	0.15	3,898,719	0.14		
Sub-total	<u>1,251,317,900</u>	<u>40.88</u>	<u>1,251,317,900</u>	<u>46.90</u>	<u>1,251,317,900</u>	<u>44.84</u>		
Undertaking Directors (apart from Mr. Lin) and Ms. Tang Yan								
Mr. Lai Weide (Note 5)	6,002,000	0.20	6,002,000	0.22	26,002,000	0.93		
Mr. Liu Tangzhi (Note 6)	7,884,675	0.26	7,884,675	0.30	17,884,675	0.64		
Mr. Shi Chi (Note 7)	5,184,825	0.17	5,184,825	0.19	5,184,825	0.19		
Ms. Tang Yan (Note 8)	5,446,466	0.18	5,446,466	0.20	5,446,466	0.20		
Mr. Lam Shing Choi, Eric (Note 9)	2,000,000	0.07	2,000,000	0.07	4,000,000	0.14		
Mr. Li Weibin (Note 10)	1,000,000	0.03	1,000,000	0.04	1,000,000	0.04		
Other Shareholders	<u>1,782,093,554</u>	<u>58.22</u>	<u>1,389,293,554</u>	<u>52.07</u>	<u>1,479,891,554</u>	<u>53.03</u>		
Total	<u>3,060,929,420</u>	<u>100.00</u>	<u>2,668,129,420</u>	<u>100.00</u>	<u>2,790,727,420</u>	<u>100.00</u>		

Notes:

- 1,200,958,799 Shares are held by Target Success in its capacity as trustee of the Skysource Unit Trust in which all of the units and issued shares of Target Success are held by Mr. Wong. As such, Mr. Wong is deemed to be interested in those 1,200,958,799 Shares.
- Mr. Wong is interested in 1,247,419,181 Shares, which comprise 37,300,000 Shares held by himself, the deemed interests in 1,200,958,799 Shares held by Target Success and the deemed interests in 9,160,382 Shares held by his spouse Ms. Lin.
- Ms. Lin is an executive Director. Ms. Lin is the spouse of Mr. Wong. Accordingly, Ms. Lin is deemed to be interested in such Shares held by Mr. Wong under the SFO.
- Mr. Lin is an executive Director and the son of Mr. Wong and Ms. Lin.
- Mr. Lai Weide is an executive Director and the Chairman of the Company. As at the date of this announcement, Mr. Lai Weide also holds 20,000,000 Share Options.
- Mr. Liu Tangzhi is an executive Director and the chief executive officer of the Company. As at the date of this announcement, Mr. Liu Tangzhi also holds 10,000,000 Share Options.
- Mr. Shi Chi is an executive Director. Mr. Shi Chi is interested in 10,631,291 Shares, which comprise 5,184,825 Shares held by himself and the deemed interests in 5,446,466 Shares held by his spouse Ms. Tang Yan.

8. Ms. Tang Yan is the spouse of Mr. Shi Chi.
9. Mr. Lam Shing Choi, Eric is an executive Director. As at date of this announcement, Mr. Lam Shing Choi, Eric also holds 2,000,000 Share Options.
10. Mr. Li Weibin is an independent non-executive Director.
11. DBSAC is the financial adviser to the Company in respect of the Offer. Accordingly, DBSAC and relevant members of the DBS Group which hold Shares are presumed to be acting in concert with the Company in accordance with class (5) of the definition of “acting in concert” in the Codes (except in respect of Shares held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Codes). As at the date of this announcement, DBSAC and relevant members of the DBS Group did not hold any Shares on a proprietary basis.

REVISED TIMETABLE

As a result of the adjournment of the SGM, the expected timetable for the Offer has been revised and is set out below.

Latest time for lodging the Form of Acceptance and latest time for determining Shareholders’ entitlement to participate in the Offer based on the records of the Register (<i>Notes 1 to 3</i>)	4:00 p.m. on Thursday, 3 September 2020
Closing date of the Offer.....	Thursday, 3 September 2020
Record Date	Thursday, 3 September 2020
Announcement of results of the Offer to be posted on the Stock Exchange’s website.....	no later than 7:00 p.m. on Thursday, 3 September 2020
Latest date for despatch of cheques to the Accepting Shareholders and (if applicable) despatch of share certificate for those Shares tendered but not bought-back under the Offer (<i>Note 4</i>).....	Monday, 14 September 2020

Notes:

1. Dealings in the Shares after Tuesday, 1 September 2020 will not be settled under the rules of the Stock Exchange prior to the Record Date.
2. As the resolutions relating to the Offer and the Whitewash Waiver have been approved by the Independent Shareholders and the Offer has become unconditional on Thursday, 20 August 2020, the Offer will remain open for acceptance for a period of 14 days thereafter and will not be extended.
3. In order to accept the Offer, Qualifying Shareholders are required to submit to the Registrar the duly completed Form of Acceptance in accordance with the instructions as set out in the Offer Document and the Form of Acceptance (which instructions form part of the terms and conditions of the Offer) at or before 4:00 p.m. on Thursday, 3 September 2020.
4. Remittance for the total amounts due to Accepting Shareholders under the Offer (subject to deduction of seller’s ad valorem stamp duty payable on the Shares bought-back from such Accepting Shareholders) will be made by the Company within 7 business days (as defined in the Takeovers Code) after the close of the Offer.

All references to time and dates refer to Hong Kong time and dates.

ODD LOTS ARRANGEMENT

Computershare Hong Kong Investor Services Limited, whose address is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (telephone number: (852) 2862 8555 during office hours (i.e. 9:00 a.m. to 6:00 p.m.)) has been appointed by the Company as the designated broker to match sales and purchases of odd lot holdings of Shares in the market for a period of six weeks from the date of completion of the Offer to enable Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots of 2,000 Shares. Shareholders should note that the matching of odd lots is not guaranteed.

Independent Shareholders are advised to read the Offer Document carefully, including the recommendation from the Independent Board Committee and the advice of the Independent Financial Adviser, before deciding whether or not to accept the Offer. Independent Shareholders should also note that their voting decisions on the ordinary resolution and special resolution proposed at the adjourned SGM approving the Offer and the Whitewash Waiver shall not affect their decisions as to whether to accept the Offer or not. Shareholders are advised to consult their professional advisers when in doubt.

By order of the Board
Skyworth Group Limited
Lai Weide
Chairman of the Board

Hong Kong, 20 August 2020

As at the date of this announcement, the Board of the Company comprises Mr. Lai Weide as the Chairman of the Board; Mr. Liu Tangzhi as executive Director and the chief executive officer; Ms. Lin Wei Ping, Mr. Shi Chi, Mr. Lin Jin and Mr. Lam Shing Choi, Eric as executive Directors; and Mr. Li Weibin, Mr. Cheong Ying Chew, Henry and Mr. Hung Ka Hai, Clement as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.