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**Celestial Pioneer Limited**

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

**i-CABLE COMMUNICATIONS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

*(Stock Code: 1097)*

## **JOINT ANNOUNCEMENT**

- (1) SALE AND PURCHASE OF SHARES IN FOREVER TOP;  
(2) POSSIBLE CONDITIONAL MANDATORY CASH OFFERS BY  
HALCYON SECURITIES LIMITED  
FOR AND ON BEHALF OF THE OFFEROR  
TO ACQUIRE ALL THE ISSUED SHARES IN  
AND TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF  
i-CABLE COMMUNICATIONS LIMITED  
(OTHER THAN THOSE ALREADY OWNED OR  
AGREED TO BE ACQUIRED BY  
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT);  
AND  
(3) RESUMPTION OF TRADING IN THE SHARES OF  
i-CABLE COMMUNICATIONS LIMITED**

**Financial Adviser to the Offeror**

  
**Halcyon Capital Limited**

**Independent Financial Adviser to the Independent Board Committee**

**ALTUS CAPITAL LIMITED**  
**Altus Capital Limited**

### **THE SP AGREEMENTS**

The Company was informed by Forever Top that on 30 September 2021, the Offeror (as purchaser) has entered into (i) the DC Agreement with Mr. David Chiu (as vendor), pursuant to which the Offeror has conditionally agreed to acquire, and Mr. David Chiu has conditionally agreed to sell and assign, the DC Sale Shares and the DC Sale Loan at the aggregate consideration of HK\$148.0 million; and (ii) the PS Agreement with Profit Surge (as vendor) and Mr. Li (as guarantor of Profit Surge), pursuant to which the Offeror has conditionally agreed to acquire, and Profit Surge has conditionally agreed to sell and assign, the PS Sale Shares and the PS Sale Loan at the aggregate consideration of approximately HK\$60.9 million.

As at the date of this joint announcement, (i) the Offeror is the single largest shareholder of Forever Top holding 31.5% of the total number of issued shares of Forever Top; (ii) Mr. David Chiu hold 24.5% of the total number of the issued shares of Forever Top, (iii) Celestial Channel Limited (a wholly-owned subsidiary of Chow Tai Fook Enterprises Limited of which Dr. Cheng is the chairman) holds 14.0% of the total number of issued shares of Forever Top, (iv) Profit Surge (which is wholly-owned by Mr. Li) holds 16.0% of the total number of issued shares of Forever Top and (v) Expand Ocean L.P. (a fund whose sole general partner is a wholly-owned company of Mr. John Huan Zhao) holds 14.0% of the total number of issued shares of Forever Top. The DC Sale Shares and the PS Sale Shares represent, in aggregate, 40.5% of the total number of issued shares of Forever Top.

Immediately after the Transaction Completions, (i) the Offeror will hold 72.0% of the total number of issued shares of Forever Top, (ii) Celestial Channel Limited will hold 14.0% of the total number of issued shares of Forever Top, (iii) Expand Ocean L.P. will hold 14.0% of the total number of issued shares of Forever Top, and (iv) the Vendors will cease to hold any interest in Forever Top. The Offeror and Celestial Channel Limited, in aggregate, will hold 86.0% of the total number of issued shares of Forever Top immediately after the Transaction Completions.

The Transaction Completions are conditional upon the fulfilment of the conditions of the SP Agreements set out in the section headed “The SP Agreements — Conditions Precedent” in this joint announcement.

#### **POSSIBLE CONDITIONAL MANDATORY CASH OFFERS**

As at the date of this joint announcement, Forever Top holds approximately 43.2% interest in the Company. As the Offeror will acquire statutory control (as referred to under the Takeovers Code) over Forever Top upon the Transaction Completions, and Forever Top holds a controlling interest in the Company, the Offeror will be required to, subject to and upon the Transaction Completions, make a conditional mandatory general offer for all the issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Note 8 to Rule 26.1 of the Takeovers Code and Practice Note 19 to the Takeovers Code. The Offeror is also required to make a comparable offer to the Optionholders (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 13.5 of the Takeovers Code to cancel all the outstanding Share Options. The Offeror will, through Halcyon Securities Limited, make mandatory general offers for all the Offer Shares and the Offer Options pursuant to Note 8 to Rule 26.1 and Rule 13 of the Takeovers Code.

#### **Principal Terms of the Share Offer**

Subject to the Transaction Completions, Halcyon Securities Limited will, on behalf of the Offeror, make the Share Offer on the following basis:

**Share Offer Price for each Offer Share . . . . .HK\$0.0264 in cash**

The Share Offer Price of HK\$0.0264 per Offer Share under the Share Offer is calculated based on the Pacpo Formula set out in Practice Note 19 to the Takeovers Code, taking into consideration the aggregate consideration payable by the Offeror under the SP Agreements, the value of the Shares held by Forever Top relative to the adjusted net assets value of Forever Top, and the number of Shares held by Forever Top.

The Share Offer, when made, will be extended to all Offer Shareholders in accordance with the Takeovers Code. Under the terms of the Share Offer, subject to the Share Offer becoming unconditional, the Offer Shares will be acquired fully paid and free from all Encumbrances, together with all rights attached thereto on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the date of despatch of the Composite Document. The Company confirms that as at the date of this joint announcement, (i) it has not declared any dividend which is not yet paid and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the date of closing of the Share Offer.

The Share Offer will be conditional upon valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the closing date of the Offers (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of Shares which, together with Shares acquired before or during the offer period of the Offers, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company.

**The Offeror will not increase the Share Offer Price as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Share Offer Price and the Offeror does not reserve the right to increase the Share Offer Price.**

#### **Principal Terms of the Option Offer**

When the Share Offer is made (if it is made at all), Halcyon Securities Limited will, on behalf of the Offeror, make an appropriate offer to all the Offer Optionholders for the cancellation of all Offer Options held by them, by way of the Option Offer. The Option Offer will be made on the following terms:

#### **Option Offer Price for cancellation of each Offer Option . . . . .HK\$0.0001 in cash**

In compliance with Rule 13 of the Takeovers Code, the Option Offer Price for cancellation of the Offer Options represents the “see-through” price, which is the difference between the Share Offer Price and the exercise price for each Offer Option.

As the outstanding Share Options have an exercise price of HK\$0.204 per Share, which is above the Share Offer Price, and are therefore out-of-the-money, the Option Offer Price for the cancellation of each such Offer Option will be a nominal cash amount of HK\$0.0001.

As at the date of this joint announcement, (i) there are 241,562,240 outstanding Share Options granted under the Share Option Scheme and all of which are exercisable; (ii) the Offeror Concert Parties hold in aggregate 218,105,600 Share Options; and (iii) the Committed Optionholder holds 3,600,800 Offer Options.

No Option Offer will be made for the Share Options held by the Offeror Concert Parties and the Offeror Concert Parties holding outstanding Share Options as at the date of this joint announcement have no objections to an offer not being made for their Share Options.

The Share Offer will be extended to any Shares that may be issued as a result of the exercise of the Offer Options if such Shares are issued on or before the date on which the Share Offer is closed. The Option Offer will be extended to all unexercised Offer Options (but not to the Share Options held by the Offeror Concert Parties) on the date on which the Option Offer is made, being the date of despatch of the Composite Document. The Share Options in respect of which the Option Offer is not accepted will (to the extent not exercised) automatically lapse upon the close of the Offers.

The Option Offer will be subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects.

#### **Option Irrevocable Undertaking**

As at the date of this joint announcement, each of the Offeror Concert Parties that hold Share Options and the Committed Optionholder has given the Option Irrevocable Undertaking to the Offeror in connection with the Option Offer and pursuant to which, each of the Offeror Concert Parties that hold Share Options and the Committed Optionholder has undertaken to the Offeror that during the period between the date of the Option Irrevocable Undertaking and the earlier of (i) the end of the offer period of the Offers and (ii) the termination of the Option Irrevocable Undertaking in accordance with its terms (both days inclusive), he will not, among others, exercise any Share Option owned by him or accept the Option Offer in respect of any of the Share Options owned by him.

The Option Irrevocable Undertaking shall terminate if (i) the SP Agreements are terminated prior to the Offers being made; or (ii) the Offers lapse or are withdrawn in circumstances permitted under the Takeovers Code.

#### **The 2019 LCS and the 2021 LCS**

Pursuant to the respective terms of the 2019 LCS and the 2021 LCS, the 2019 LCS would be convertible into 4,544,000,000 conversion Shares upon full conversion of the 2019 LCS based on the initial conversion price of HK\$0.125 per conversion Share and the 2021 LCS would be convertible into 2,941,176,470 conversion Shares upon full conversion of the 2021 LCS based on the initial conversion price of HK\$0.068 per conversion Share. The entire amount of both 2019 LCS and 2021 LCS are held by Forever Top.

## **LCS Irrevocable Undertaking**

As at the date of this joint announcement, Forever Top has given the LCS Irrevocable Undertaking to the Offeror and pursuant to which, Forever Top has undertaken to the Offeror that during the period between the date of the LCS Irrevocable Undertaking and the earlier of (i) the end of the offer period of the Offers and (ii) the termination of the LCS Irrevocable Undertaking in accordance with its terms (both days inclusive), it will not, among others, (i) sell, transfer, encumber or otherwise dispose of any of the 2019 LCS and the 2021 LCS; (ii) exercise the conversion rights under the terms of any of the 2019 LCS and the 2021 LCS to subscribe for any Shares, and (iii) accept any offer to be made for and on behalf of the Offeror in respect of any of the 2019 LCS and the 2021 LCS.

Accordingly, no offer will be made for the 2019 LCS and the 2021 LCS under Rule 13 of the Takeovers Code.

Save for the 241,562,240 outstanding Share Options, the 2019 LCS and the 2021 LCS, as at the date of this joint announcement, there are no outstanding convertible securities, warrants, options or derivatives issued by the Company which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

## **Total value of the Offers**

Based on the Share Offer Price of HK\$0.0264 per Offer Share, 4,050,900,626 Offer Shares and 19,855,840 Offer Options (which excluded Share Options held by the Committed Optionholder):

- (a) Assuming that no Offer Option is exercised and the Share Offer is accepted in full:
  - (i) the value of the Share Offer will be approximately HK\$106.9 million; and
  - (ii) the total amount to satisfy the cancellation of all Offer Options (other than the Share Options held by the Committed Optionholder) will be approximately HK\$1,985.58.
- (b) Assuming all Offer Options (other than the Share Options held by the Committed Optionholder) are exercised and the Share Offer is accepted in full:
  - (i) the value of the Share Offer will be approximately HK\$107.5 million; and
  - (ii) the total amount to satisfy the cancellation of all Offer Options will be nil.

## **Financial resources available to the Offeror**

The Offeror intends to finance the total consideration of the Transactions and the maximum amount payable to satisfy the consideration for the Offers of HK\$316.4 million by its internal cash resources.

Halcyon Capital Limited, being the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the Transactions and the maximum amount payable by the Offeror to satisfy the consideration for the Offers.

### **ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising Ms. Ng Yuk Mui Jessica, being a non-executive Director, and Mr. Lam Kin Fung Jeffrey, Dr. Hu Shao Ming Herman and Mr. Luk Koon Hoo, Roger, being independent non-executive Directors, who have no direct or indirect interest in the Offers, has been established pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Offer Shareholders as to whether the terms of the Share Offer are fair and reasonable and as to acceptance of the Share Offer and to the Offer Optionholders as to whether the terms of the Option Offer are fair and reasonable and as to acceptance of the Option Offer.

Mr. David Chiu is one of the Vendors and a director of Forever Top. Dr. Cheng is the sole beneficial owner and a director of the Offeror, which is the purchaser in the Transactions. Mr. Hoong Cheong Thard is a director of Forever Top. Mr. Lie Ken Jie Remy Anthony Ket Heng is the senior vice president of Chow Tai Fook Enterprises Limited, of which Dr. Cheng is the chairman. Mr. Tsang On Yip, Patrick is a director of the Offeror, a director and the chief executive officer of Chow Tai Fook Enterprises Limited, and his spouse is a niece of Dr. Cheng. Mr. Tang Sing Ming Sherman is the brother of the sister-in-law of Mr. David Chiu. Accordingly, they will not be members of the Independent Board Committee.

### **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Company has appointed Altus Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee, the Offer Shareholders and the Offer Optionholders in connection with the Offers, and such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

### **DESPATCH OF THE COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document (accompanied by the forms of acceptance), containing, among other things, (i) the terms and conditions of the Offers; (ii) the expected timetable of the Offers; (iii) a letter of recommendation from the Independent Board Committee to the Offer Shareholders and the Offer Optionholders in respect of the Offers; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers; and (v) the form of the Option Offer letter shall be despatched to the Shareholders and the Optionholders within twenty-one (21) days of the date of this joint announcement or such later date as the Executive may approve. As the making of the Offers is conditional on the Transaction Completions, which are subject to certain conditions precedent, an application will be made by the Offeror to seek the Executive's consent under Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to a date falling within seven (7) days after the Transaction Completions or such other date as the Executive may approve.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

## **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 4 October 2021 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 10 November 2021.

## **PUBLIC FLOAT**

Pursuant to the Listing Rules, if, after the close of the Share 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) there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange may exercise its discretion to suspend trading in the Shares.

The Offeror will take appropriate steps to ensure that sufficient public float as required under the Listing Rules exists for the Shares after the close of the Offers.

## **WARNING**

**The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement, and strongly recommend the Offer Shareholders and the Offer Optionholders not to form a view on the Share Offer and the Option Offer, respectively, unless and until they have received and read the letter from the Independent Board Committee containing its recommendations to the Offer Shareholders and the Offer Optionholders in respect of the Offers and the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offers, which will be included in the Composite Document to be despatched to the Shareholders and the Optionholders.**

**The Offers will only be made if the Transaction Completions take place and the Transaction Completions are subject to the conditions precedent set out in the section headed “The SP Agreements — Conditions Precedent” in this joint announcement. Accordingly, the Offers may or may not be made.**

**The Offers are conditional. If the total number of Shares in respect of the valid acceptances, which the Offeror receives at or before 4:00 p.m. on the closing date of the Offers (or such other time as the Offeror may, subject to the Takeovers Code, decide) under the Share Offer together with the Shares acquired before or during the offer period of the Offers, does not result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company, the Offers will not become unconditional and will lapse.**

**Shareholders, Optionholders and potential investors of the Company should exercise extreme caution when dealing in the relevant securities of the Company. A further announcement will be made by the Offeror and the Company when the Transaction Completions take place. If the Shareholders, Optionholders and potential investors of the Company are in any doubt about their position or as to the action they should take, they should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## **THE SP AGREEMENTS**

The Company was informed by Forever Top that on 30 September 2021, the Offeror (as purchaser) has entered into (i) the DC Agreement with Mr. David Chiu (as vendor), pursuant to which the Offeror has conditionally agreed to acquire, and Mr. David Chiu has conditionally agreed to sell and assign, the DC Sale Shares and the DC Sale Loan at the aggregate consideration of HK\$148.0 million; and (ii) the PS Agreement with Profit Surge (as vendor) and Mr. Li (as guarantor of Profit Surge), pursuant to which the Offeror has conditionally agreed to acquire, and Profit Surge has conditionally agreed to sell and assign, the PS Sale Shares and the PS Sale Loan at the aggregate consideration of approximately HK\$60.9 million.

A summary of the salient terms of the SP Agreements are set out below:

	<b>DC Agreement</b>	<b>PS Agreement</b>
<b>Parties</b>	: (i) the Offeror (as purchaser); and (ii) Mr. David Chiu (as vendor).	(i) the Offeror (as purchaser);  (ii) Profit Surge (as vendor); and  (iii) Mr. Li (as guarantor of Profit Surge).
<b>Subject matter</b>	: (i) 49 DC Sale Shares (representing 24.5% of the total number of issued shares of Forever Top); and  (ii) the DC Sale Loan. As at the date of the this joint announcement, the amount of the DC Sale Loan is approximately HK\$371.6 million.	(i) 32 PS Sale Shares (representing 16.0% of the total number of issued shares of Forever Top); and  (ii) the PS Sale Loan. As at the date of the this joint announcement, the amount of the PS Sale Loan is approximately HK\$123.4 million.

The DC Sale Shares and the PS Sale Shares will be sold together with all dividends, distributions and voting rights attached to them on or after the respective Transaction Completions.



The DC Sale Loan and the PS Sale Loan will be sold together with all the respective vendor's rights, title, interests and benefits in and to them, free from Encumbrances and together with all rights attaching thereto on the respective Transaction Completion Date.

**Consideration** : HK\$148.0 million approximately HK\$60.9 million

The consideration for each of the Transactions was arrived at based on arm's length negotiations between the Offeror and the Vendor of the relevant SP Agreement having regard to, among others, the overall financial condition of Forever Top and the cost of investment of the relevant Vendor in Forever Top.

**Guarantee** : Nil Mr. Li guaranteed to the Offeror, among others, the full, due and punctual performance and observance by Profit Surge of its obligations under, among others, the PS Agreement and that Mr. Li shall pay the Offeror on demand any amount payable by Profit Surge under the PS Agreement and any damages for breach by Profit Surge of the PS Agreement.

**Conditions Precedent** : Completion of the Transactions under each of the DC Agreement and the PS Agreement is subject to the following conditions being satisfied or waived on or before the respective Transaction Completion Date:

- (A) all licences held by or necessary for the business of the Group (including the Domestic Pay Television Programme Service Licence and the Unified Carrier Licence held by Hong Kong Cable Television Limited and the Domestic Free Television Programme Service Licence held by Fantastic Television Limited) continuing to be in full force and effect up to and including the Transaction Completion Date;
- (B) the grant by the Communications Authority of the CA Approval and the CA Approval not having been withdrawn or revoked by the Communications Authority or lapsed;
- (C) the grant by the Executive of the SFC Waiver, if applicable, and the SFC Waiver not having been withdrawn or revoked by the SFC or lapsed;

- (D) the Company remains listed on the Stock Exchange on the Transaction Completion Date and the Shares have not been suspended from trading on the Stock Exchange for more than seven Business Days during the period from the date of the relevant SP Agreement to the Transaction Completion Date;
- (E) all loan facility(ies) granted by The Hongkong and Shanghai Banking Corporation Limited to any member of the Group continuing to be in full force and no event of default thereunder being triggered by the Transactions under the relevant SP Agreement; and
- (F) all relevant consents and approvals being obtained (and maintained in full force and effect on the Transaction Completion Date) from the regulatory authorities, including the Communications Authority, the Stock Exchange and the SFC, as the case may require in connection with the Transactions contemplated under the relevant SP Agreement by the relevant time that each consent and approval is required.

The DC Agreement and the PS Agreement are not inter-conditional. The Offeror may waive in writing any of the conditions precedent set out above.

The Company is preparing the application to the Communications Authority for the CA Approval stated in condition (B) and expects to submit such application to the Communications Authority shortly after the publication of this joint announcement.

As at the date of this joint announcement, the Offeror had waived condition (C) above and the condition that the Shares not having been suspended from trading on the Stock Exchange for more than seven Business Days during the period from the date of the relevant SP Agreement to the Transaction Completion Date in condition (D) above.

Save for the above, the parties to the SP Agreements are not aware of any approval or consents required other than those already stated in conditions (A), (B) and (C).

If any of the conditions precedent of any of the SP Agreements has not been satisfied or waived by 30 June 2022 (or such later date as agreed by the parties to the relevant SP Agreement in writing), that SP Agreement (except for certain provisions designated as surviving provisions therein) shall terminate, and the parties to that SP Agreement shall be released from all liabilities and obligations thereunder (except for any antecedent breach of any provision thereof).

**Completion** : Completion of each of the SP Agreements shall take place on the Transaction Completion Date, being the fourth Business Day following the date on which the last of the conditions precedent of the relevant SP Agreement (except such conditions which are expressed to be satisfied on or as at Transaction Completions) is satisfied or waived, or such other time and date as the parties to the relevant SP Agreement may mutually agree in writing.

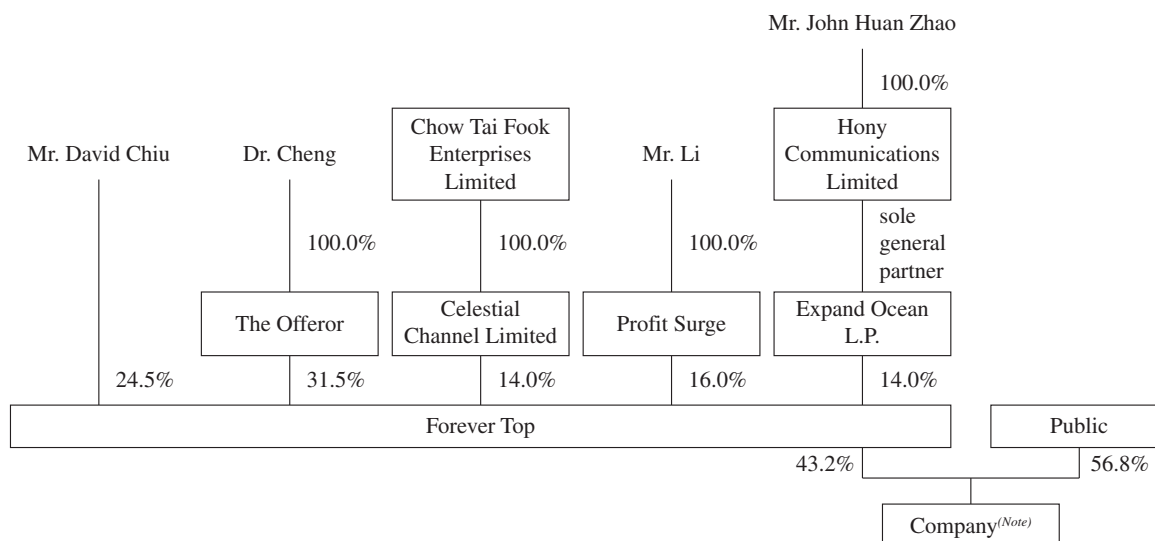
## **SHAREHOLDING STRUCTURES OF THE COMPANY AND FOREVER TOP**

As at the date of this joint announcement, (i) the Offeror is the single largest shareholder of Forever Top holding 31.5% of all issued shares of Forever Top; (ii) Mr. David Chiu holds 24.5% of all issued shares of Forever Top; (iii) Celestial Channel Limited (a wholly-owned subsidiary of Chow Tai Fook Enterprises Limited of which Dr. Cheng is the chairman) holds 14.0% of the total number of issued shares of Forever Top, (iv) Profit Surge (which is wholly-owned by Mr. Li) holds 16.0% of the total number of issued shares of Forever Top and (v) Expand Ocean L.P. (a fund whose sole general partner is a wholly-owned company of Mr. John Huan Zhao) holds 14.0% of the total number of issued shares of Forever Top. The DC Sale Shares and the PS Sale Shares represent, in aggregate, 40.5% of the total number of issued shares of Forever Top.

Immediately after the Transaction Completions, (i) the Offeror will hold 72.0% of the total number of issued shares of Forever Top, (ii) Celestial Channel Limited (a wholly-owned subsidiary of Chow Tai Fook Enterprises Limited of which Dr. Cheng is the chairman) will hold 14.0% of the total number of issued shares of Forever Top, (iii) Expand Ocean L.P. (a fund whose sole general partner is a wholly-owned company of Mr. John Huan Zhao) will hold 14.0% of the total number of issued shares of Forever Top, and (iv) the Vendors will cease to hold any interest in Forever Top. The Offeror and Celestial Channel Limited, in aggregate, will hold 86.0% of the total number of issued shares of Forever Top immediately after the Transaction Completions.

Assuming that there is no other change to the shareholding of the Company and Forever Top, the simplified shareholding structures of the Company and Forever Top (i) as at the date of this joint announcement; and (ii) immediately after the Transaction Completions are shown below.

**Simplified shareholding structure of the Company and Forever Top as at the date of this joint announcement**



Note: The table below sets out the shareholding of the Company as at the date of this joint announcement:

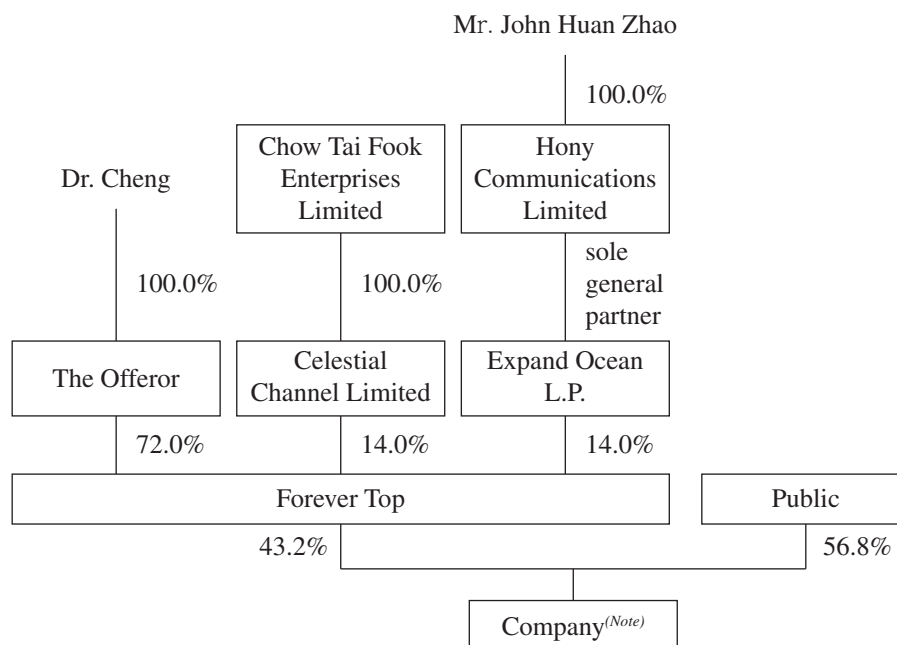
Shareholder	Number of Shares	Approximate %
Offeror	—	—
Forever Top	3,083,722,894	43.2%
<b>Public Shareholders</b>		
South China Financial Holdings Limited (Note 1)	463,876,000	6.5%
Mr. Ng Hung Sang (Note 2)	156,089,500	2.2%
Ms. Ng Lai King Pamela (Note 2)	96,022,500	1.4%
Other public Shareholders	3,334,912,626	46.7%
<b>Sub-total</b>	<b>4,050,900,626</b>	<b>56.8%</b>
<b>Total</b>	<b>7,134,623,520</b>	<b>100.0%</b>

Notes:

- South China Financial Holdings Limited's wholly-owned subsidiaries, South China Finance and Management Limited and South China Securities Limited, directly held 876,000 Shares and 463,000,000 Shares, respectively. Based on the information available to the Company, South China Financial Holdings Limited was held as to approximately 29.36% by Mr. Ng Hung Sang, among which approximately 25.66% was held through his 100% owned corporations, while according to publicly available information, approximately 3.70% was held by him as beneficial owner.

2. Based on the information available to the Company, Mr. Ng Hung Sang is the spouse of Ms. Ng Lai King Pamela. Each of Mr. Ng Hung Sang and Ms. Ng Lai King Pamela is not a core connected person (as defined under the Listing Rules) of the Company and shall therefore fall within the definition of “public” under Rule 8.24 of the Listing Rules.

### Simplified shareholding structure of the Company and Forever Top immediately after the Transaction Completions



Note: The table below sets out the shareholding of the Company immediately after the Transaction Completions:

Shareholder	Number of Shares	Approximate %
Offeror	—	—
Forever Top	3,083,722,894	43.2%
<b>Public Shareholders</b>		
South China Financial Holdings Limited (Note 1)	463,876,000	6.5%
Mr. Ng Hung Sang (Note 2)	156,089,500	2.2%
Ms. Ng Lai King Pamela (Note 2)	96,022,500	1.4%
Other public Shareholders	3,334,912,626	46.7%
<b>Sub-total</b>	<b>4,050,900,626</b>	<b>56.8%</b>
<b>Total</b>	<b>7,134,623,520</b>	<b>100.0%</b>

Notes:

1. South China Financial Holdings Limited’s wholly-owned subsidiaries, South China Finance and Management Limited and South China Securities Limited, directly held 876,000 Shares and 463,000,000 Shares, respectively. Based on the information available to the Company, South China Financial Holdings Limited was held as to approximately 29.36% by Mr. Ng Hung Sang, among which approximately 25.66% was held through his 100% owned corporations, while according to publicly available information, approximately 3.70% was held by him as beneficial owner.

2. Based on the information available to the Company, Mr. Ng Hung Sang is the spouse of Ms. Ng Lai King Pamela. Each of Mr. Ng Hung Sang and Ms. Ng Lai King Pamela is not a core connected person (as defined under the Listing Rules) of the Company and shall therefore fall within the definition of “public” under Rule 8.24 of the Listing Rules

## POSSIBLE CONDITIONAL MANDATORY CASH OFFERS

As at the date of this joint announcement, the Company has a total of 7,134,623,520 Shares in issue, 241,562,240 Share Options outstanding entitling the grantees to subscribe for an aggregate of 241,562,240 Shares at an exercise price of HK\$0.204 per Share granted under the Share Option Scheme and the following convertible bonds:

	<b>Principal amount (HK\$)</b>	<b>Holder</b>	<b>Conversion price</b>	<b>Conversion Shares (Note)</b>
2019 LCS	568,000,000	Forever Top	HK\$0.125	4,544,000,000
2021 LCS	200,000,000	Forever Top	HK\$0.068	2,941,176,470

*Note:* The number of conversion Shares is calculated based on the outstanding principal and the current conversion price of the relevant convertible bond.

Save for the outstanding 241,562,240 Share Options, the 2019 LCS and the 2021 LCS, as at the date of this joint announcement, there are no outstanding convertible securities, warrants, options or derivatives issued by the Company which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

As at the date of this joint announcement, Forever Top holds 3,083,722,894 Shares representing approximately 43.2% of the Shares in issue, the Offeror Concert Parties hold in aggregate 218,105,600 Share Options and Forever Top holds the entire outstanding 2019 LCS and 2021 LCS. For details, please see the section headed “Interest in the Company of the Offeror Concert Parties and the Directors” in this joint announcement.

As the Offeror will acquire statutory control (as referred to under the Takeovers Code) over Forever Top upon the Transaction Completions, and Forever Top holds a controlling interest in the Company, the Offeror will be required to, subject to and upon the Transaction Completions, make a conditional mandatory general offer for all the issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Note 8 to Rule 26.1 of the Takeovers Code and Practice Note 19 to the Takeovers Code. The Offeror is also required to make a comparable offer to the Optionholders (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 13.5 of the Takeovers Code to cancel all the outstanding Share Options. The Offeror will, through Halcyon Securities Limited, make mandatory general offers for all the Offer Shares and the Offer Options pursuant to Note 8 to Rule 26.1 of the Takeovers Code and to cancel all outstanding Offer Options pursuant to Rule 13 of the Takeovers Code.

## Principal Terms of the Share Offer

Subject to the Transaction Completions, Halcyon Securities Limited will, on behalf of the Offeror, make the Share Offer on the following basis:

### Share Offer Price for each Offer Share..... HK\$0.0264 in cash

The Share Offer Price of HK\$0.0264 per Offer Share under the Share Offer is calculated based on the Pacpo Formula set out in Practice Note 19 to the Takeovers Code and calculated taking into consideration objectively the aggregate consideration paid by the Offeror under the SP Agreements, the value of the Shares held by Forever Top relative to the adjusted net assets value of Forever Top, and the number of Shares held by Forever Top.

Applying the Pacpo Formula, the Share Offer Price of HK\$0.0264 per Offer Shares is calculated as follow:

$$\frac{\text{NAV of the Company} \times \text{Forever Top's \% shareholding in the Company}}{\text{Adjusted NAV of Forever Top}} \times \frac{\text{Consideration under the DC Agreement/ number of DC Sale Shares} \times \text{Total issued shares of Forever Top}}{\text{Shares held by Forever Top}}$$

Where:

- (a) “NAV” of the Company represents the net asset value less non-controlling interests of the Company;
- (b) Adjusted NAV of Forever Top represents NAV of Forever Top as stated on its audited balance sheet as at 30 June 2021 with the following adjustments:
  - (i) the entire amount of the shareholders’ loan owed by Forever Top to its shareholders was assumed to be capitalised; otherwise the Share Offer Price would be negative; and
  - (ii) the carrying value of the Shares held by Forever Top is changed from the market value of the Shares to the net asset value per Share of the Company multiplied by the number of Shares held by Forever Top; and
- (c) consideration under the DC Agreement is used in the calculation instead of consideration under the PS Agreement because consideration under the DC Agreement is higher than that under the PS Agreement.

The Share Offer, when made, will be extended to all Offer Shareholders in accordance with the Takeovers Code. Under the terms of the Share Offer, the Offer Shares will be acquired fully paid and free from all Encumbrances, together with all rights attached thereto on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document, including the right to receive in full all dividends and other distributions declared, if any, the record date of which falls on or after the date of despatch of the Composite Document.

The Company confirms that as at the date of this joint announcement, (i) it has not declared any dividend which is not yet paid and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including date of closing of the Share Offer.

### *Comparisons of value*

Based on the Share Offer Price of HK\$0.0264 per Offer Share represents:

- (i) a discount of 61.2% over the closing price of HK\$0.0680 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of 61.6% over the average closing price of HK\$0.0688 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of 61.8% over the average closing price of HK\$0.0692 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of 62.6% over the average closing price of HK\$0.0706 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of 48.4% to the audited consolidated net asset value per Share attributable to equity Shareholders of HK\$0.0512 per Share as at 31 December 2020, being the date to which the latest audited consolidated annual results of the Group were made up; and
- (vi) a discount of 43.8% to the unaudited consolidated net asset value per Share attributable to equity Shareholders of HK\$0.0470 per Share as at 30 June 2021, being the date to which the latest unaudited consolidated interim results of the Group were made up.

### *Highest and lowest Share prices*

The highest and the lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the date of this joint announcement up to and including the Last Trading Day, were HK\$0.098 per Share on 24 May 2021, and HK\$0.064 per Share on 1 April 2021, respectively.

**The Offeror will not increase the Share Offer Price as set out above. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Share Offer Price and the Offeror does not reserve the right to increase the Share Offer Price.**



## **Principal Terms of the Option Offer**

When the Share Offer is made (if it is made at all), Halcyon Securities Limited will, on behalf of the Offeror, make an appropriate offer to all the Offer Optionholders for the cancellation of all Offer Options held by them, by way of the Option Offer. The Option Offer will be made on the following terms:

### **Option Offer Price for cancellation of each Offer Option..... HK\$0.0001 in cash**

In compliance with Rule 13 of the Takeovers Code, the Option Offer Price for cancellation of the Offer Options represents the “see-through” price, which is the difference between the Share Offer Price and the exercise price for each Offer Option.

As the outstanding Share Options have an exercise price of HK\$0.204 per Share, which is above the Share Offer Price, and are therefore out-of-the-money, the Option Offer Price for the cancellation of each such Offer Option will be a nominal cash amount of HK\$0.0001.

As at the date of this joint announcement, (i) there are 241,562,240 outstanding Share Options granted under the Share Option Scheme and all of which are exercisable; (ii) the Offeror Concert Parties hold in aggregate 218,105,600 Share Options; and (iii) the Committed Optionholder holds 3,600,800 Share Options.

No Option Offer will be made for the Share Options held by the Offeror Concert Parties and the Offeror Concert Parties holding outstanding Share Options as at the date of this joint announcement have no objections to an offer not being made for their Share Options.

The Share Offer will be extended to any Shares that may be issued as a result of the exercise of the Offer Options if such Shares are issued on or before the date on which the Share Offer is closed.

The Option Offer will be extended to all unexercised Offer Options (but not to the Share Options held by the Offeror Concert Parties) on the date on which the Option Offer is made, being the date of despatch of the Composite Document.

The Share Options in respect of which the Option Offer is not accepted will (to the extent not exercised) automatically lapse upon the close of the Offers.

### **Option Irrevocable Undertaking**

As at the date of this joint announcement, each of the Offeror Concert Parties that hold Share Options and the Committed Optionholder has given the Option Irrevocable Undertaking to the Offeror in connection with the Option Offer and pursuant to which, each of the Offeror Concert Parties that hold Share Options and the Committed Optionholder has undertaken that during the period between the date of the Option Irrevocable Undertaking and the earlier of (i) the end of the offer period of the Offers and (ii) the termination of the Option Irrevocable Undertaking in accordance with its terms (both days inclusive), he will not, among others:

- (1) exercise any of the Share Options owned by him; and
- (2) accept the Option Offer in respect of any of the Share Options owned by him.

The Option Irrevocable Undertaking shall terminate if (i) the SP Agreements are terminated prior to the Offers being made; or (ii) the Offers lapse or are withdrawn in circumstances permitted under the Takeovers Code.

### **The 2019 LCS and the 2021 LCS**

Pursuant to the respective terms of the 2019 LCS and the 2021 LCS, the 2019 LCS would be convertible into 4,544,000,000 conversion Shares upon full conversion of the 2019 LCS based on the initial conversion price of HK\$0.125 per conversion Share and the 2021 LCS would be convertible into 2,941,176,470 conversion Shares upon full conversion of the 2021 LCS based on the initial conversion price of HK\$0.068 per conversion Share. The entire amount of both 2019 LCS and 2021 LCS are held by Forever Top.

### **LCS Irrevocable Undertaking**

As at the date of this joint announcement, Forever Top has given the LCS Irrevocable Undertaking to the Offeror and pursuant to which, Forever Top has undertaken to the Offeror that during the period between the date of the LCS Irrevocable Undertaking and the earlier of (i) the end of the offer period of the Offers and (ii) the termination of the LCS Irrevocable Undertaking in accordance its terms (both days inclusive), it will not, among others:

- (1) sell, transfer, encumber or otherwise dispose of any of the 2019 LCS and the 2021 LCS;
- (2) exercise the conversion rights under the terms of any of the 2019 LCS and the 2021 LCS to subscribe for any conversion Shares; and
- (3) accept any offer made for and on behalf of the Offeror in respect of any of the 2019 LCS and the 2021 LCS.

Accordingly, no offer will be made for the 2019 LCS and the 2021 LCS under Rule 13 of the Takeovers Code.

Save for the outstanding 241,562,240 Share Options, the 2019 LCS and the 2021 LCS, as at the date of this joint announcement, there are no outstanding convertible securities, warrants, options or derivatives issued by the Company which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

### **Total value of the Offers**

Based on the Share Offer Price of HK\$0.0264 per Offer Share, 4,050,900,626 Offer Shares and 19,855,840 Offer Options that are not held by the Committed Optionholder:

- (a) Assuming that no Offer Option is exercised and the Share Offer is accepted in full:
  - (i) the value of the Share Offer will be approximately HK\$106.9 million; and
  - (ii) the total amount to satisfy the cancellation of all Offer Options (other than the Share Options held by the Committed Optionholder) will be approximately HK\$1,985.58.

- (b) Assuming all Offer Options (other than the Share Options held by the Committed Optionholder) are exercised and the Share Offer is accepted in full:
- (i) the value of the Share Offer will be approximately HK\$107.5 million; and
  - (ii) the total amount to satisfy the cancellation of all Offer Options will be nil.

### **Financial resources available to the Offeror**

The Offeror intends to finance the total consideration of the Transactions and the maximum amount payable to satisfy the consideration for the Offers of HK\$316.4 million by its internal cash resources.

Halcyon Capital Limited, being the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the Transactions and the maximum amount payable by the Offeror to satisfy the consideration for the Offers.

### **Pre-condition to the Offers**

The Offers will only be made if the Transaction Completions take place and the Transaction Completions are subject to the conditions precedent set out in the section headed “The SP Agreement — Conditions Precedent” in this joint announcement. Accordingly, the Offers may or may not be made.

**Shareholders, Optionholders and potential investors of the Company should exercise extreme caution when dealing in the relevant securities of the Company. A further announcement will be made by the Offeror and the Company when the Transaction Completions take place. If the Shareholders, Optionholders and potential investors of the Company are in any doubt about their position or as to the action they should take, they should consult their stockbroker, bank manager, solicitor or other professional advisers.**

### **Effect of accepting the Offers**

Subject to the Share Offer becoming unconditional, by accepting the Share Offer, the relevant Offer Shareholder will be deemed to warrant that all Offer Shares to be sold by such person under the Share Offer are fully paid and free from all Encumbrances and together with all rights and benefits attaching thereto as at the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which may be paid, made or declared or agreed to be made or paid thereon or in respect thereof on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document.

Subject to the Option Offer becoming unconditional, by accepting the Option Offer, the relevant Offer Options tendered by the Offer Optionholder, together with all rights attaching thereto with effect from the date of the Composite Document will be cancelled and renounced in their entirety. Under the terms of the Share Option Scheme, if, during the exercise period, an offer is made to acquire all or part of the total number of Shares in issue

(other than those held by the offeror and persons acting in concert with it) and such offer becomes or is declared unconditional, the Company shall give written notice to all Optionholders and each such Optionholder may, by notice in writing to the Company, within 14 days of the date of such notice, exercise his/her Share Option in full or to the extent specified in such notice. If the Offer Option is not exercised and the Option Offer is not accepted in respect of any unexercised Offer Options, any unexercised Share Options will lapse upon the close of the Option Offer.

Acceptance of the Share Offer and the Option Offer will be irrevocable and will not be capable of being withdrawn, except in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offers shall be entitled to withdraw its/his/her acceptance after twenty-one (21) days from the first closing date of the Offers, if the Offers have not by then become unconditional as to acceptances.

**The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement, and strongly recommend the Offer Shareholders and the Offer Optionholders not to form a view on the Share Offer and the Option Offer, respectively, unless and until they have received and read the letter from the Independent Board Committee containing its recommendations to the Offer Shareholders and the Offer Optionholders in respect of the Offers and the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offers, which will be included in the Composite Document to be despatched to the Shareholders and the Optionholders.**

#### **Condition of the Offers**

The Share Offer will be only conditional upon valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the closing date of the Offers (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of Shares which, together with Shares acquired before or during the offer period of the Offers, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offers or the fulfilment of the condition to the Share Offer in accordance with the Takeovers Code and the Listing Rules. The latest time on which the Offeror can declare the Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the despatch of the Composite Document (or such later date to which the Executive may consent).

The Option Offer will be subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects.

**The Offers may or may not become unconditional. Shareholders and investors should exercise caution when dealing in securities of the Company and if they are in any doubt about their position, they should consult their professional advisers.**

## **Payment**

Subject to the Offers having become, or having been declared, unconditional in all respects, payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event, within seven (7) business days (being a day on which the Stock Exchange is open for the transaction of business) following the later of the date on which (i) the Offers becomes, or are declared unconditional, and (ii) the duly completed acceptances of the Offers and the relevant documents of title of the Offer Shares and the Offer Options in respect of such acceptances are received by or for the Offeror to render each such acceptance complete and valid. No fractions of a cent will be payable, and the amount of the consideration payable to an Offer Shareholder who accepts the Share Offer and an Offer Optionholder who accepts the Option Offer will be rounded up to the nearest cent.

## **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Share Offer will be payable by the relevant Offer Shareholders at a rate of 0.13% of the higher 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 Share Offer, and will be deducted from the amount payable by the Offeror to the relevant Offer Shareholders on acceptance of the Share Offer.

The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Offer Shareholders accepting the Share Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

No stamp duty is payable on the cancellation of the Offer Options.

## **Taxation advice**

Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with it, the Company, Halcyon Capital Limited, Halcyon Securities Limited, and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

## **Overseas Shareholders and Optionholders**

The availability of the Offers to any Overseas Shareholders and Overseas Optionholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. The Overseas Shareholders and the Overseas Optionholders should observe any applicable legal or regulatory requirements and, where necessary, seek their own legal advice. It is the responsibilities of the Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant overseas jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent

which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders and Overseas Optionholders in respect of such overseas jurisdictions).

Acceptance of the Offers by any Overseas Shareholder and Overseas Optionholders will be deemed to constitute a representation and warranty from such Overseas Shareholder or Overseas Optionholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders and the Overseas Optionholders should consult their professional advisers if in doubt.

## **INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

The Offeror has no intention to introduce any major changes to the existing operations and business of the Group upon the close of the Offers, and intends that the Group will continue to operate its existing business following the close of the Offers. The Offeror will continue to ensure good corporate governance in the Group, monitor and review the Group's business and operations from time to time, and may take steps that it deems necessary or appropriate to optimise the value of the Group.

Neither the Offeror nor Forever Top directly manages the Group. The Company is managed by the Board, which will continue to review the business operations and financial conditions of the Group and make management decisions regarding the Group (including but not limited to decisions on employment of its employees and deployment of the Group's assets) as it considers appropriate. The Offeror has no intention to make significant changes to the continued employment of the employees of the Group as a result of the Offers or to dispose of or re-deploy the fixed assets of the Group other than in the ordinary course of business.

## **No Change to the composition of the Board**

The Offeror intends that all current Directors will continue to remain in their offices immediately after the close of the Offers.

## **PUBLIC FLOAT**

Pursuant to the Listing Rules, if, after the close of the Share 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) there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange may exercise its discretion to suspend trading in the Shares.

The Offeror will take appropriate steps to ensure that sufficient public float as required under the Listing Rules exists for the Shares after the close of the Offers.

## INFORMATION ON THE PARTIES

### The Group

The Company is a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange. The principal activity of the Company is investment holding. The principal activities of the Group include media and telecommunications operations.

Set out below is a summary of the audited consolidated financial results of the Group for the financial years ended 31 December 2019 and 2020 and the unaudited consolidated financial results of the Group for the six months ended 30 June 2021:

	For the financial year		For the
	ended/as at 31 December		six months
	2019	2020	ended/as at
	HK\$ million	HK\$ million	30 June
	(audited)	(audited)	2021
			HK\$ million
			(unaudited)
Revenue	1,161	1,069	493
Loss before taxation	(397)	(275)	(172)
Loss attributable to the equity shareholders of the Company	(397)	(275)	(175)
Net assets	640	365	335

### Forever Top

Forever Top is incorporated in Hong Kong with limited liability on 9 January 2015. For shareholding of Forever Top, please see the paragraphs headed “Shareholding Structures of the Company and Forever Top” in this joint announcement. Forever Top is an investment holding company. In 2017, the Offeror (which is wholly-owned by Dr. Cheng), Celestial Channel Limited (which is wholly-owned by Chow Tai Fook Enterprises Limited), Mr. David Chiu, Profit Surge (which is wholly-owned by Mr. Li) and Expand Ocean L.P. (which is a fund with Hony Communications Limited as its sole general partner, and Hony Communications Limited is wholly-owned by Mr. John Huan Zhao) acted in concert to acquire 43.2% interest in the Company through Forever Top and such interest has been held by Forever Top since the acquisition. Dr. Cheng, Chow Tai Fook Enterprises Limited, Celestial Channel Limited, Mr. David Chiu, Mr. Li, Profit Surge, Mr. John Huan Zhao, Hony Communications Limited and Expand Ocean L.P. are Offeror Concert Parties.

### The Offeror

The Offeror is incorporated in the BVI with limited liability on 21 March 2017. The Offeror is an investment holding company and its entire issued share capital is beneficially and directly held by Dr. Cheng. Dr. Cheng is also a director of the Offeror.

## **Dr. Cheng**

Dr. Cheng is the sole shareholder and a director of the Offeror. He is also the chairman of Chow Tai Fook Enterprises Limited, which is the sole shareholder of Celestial Channel Limited which in turn holds 14.0% of all issued shares of Forever Top. Dr. Cheng is also the vice-chairman of the Board and a non-executive Director. For further information on Dr. Cheng, please see his biographical details stated in the interim report of the Company for the six months ended 30 June 2021.

## **Other arrangements**

The Offeror confirms that as at the date of this joint announcement:

- (i) Forever Top holds 3,083,722,894 Shares and the entire outstanding principal amounts of the 2019 LCS and the 2021 LCS. Dr. Cheng, Mr. Tsang, Mr. David Chiu, Mr. Andrew Chiu and Mr. Hoong hold 63,785,600, 27,006,000, 63,785,600, 36,522,400 and 27,006,000 Share Options, respectively. Save for the above, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them owns, holds or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company, and there is no outstanding derivative in respect of the securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (ii) save for the Option Irrevocable Undertaking and the LCS Irrevocable Undertaking, the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept or reject the Offers;
- (iii) save for the SP Agreements, 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 of the Offeror or the Shares and which might be material to the Offers;
- (iv) other than the consideration payable to the Vendors under the SP Agreements, there is no other consideration, compensation or benefits in whatever form provided by the Offeror, its ultimate beneficial owner or their respective concert parties to any of the Vendors or their concert parties in connection with the Transactions;
- (v) save for the SP Agreements, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them 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 Offers;
- (vi) there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them has borrowed or lent; and
- (vii) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between:



- (A) (a) the Offeror, its ultimate beneficial owner or their respective concert parties on one hand and (b) the Vendors and their concert parties on the other hand; or
- (B) (a) the Offeror, its ultimate beneficial owner or their respective concert parties on one hand and (b) the Shareholders on the other hand.

The Company confirms that, as at the date of this joint announcement, there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeover Code) between (i) the Company, its subsidiaries or associated companies on one hand and (ii) any Shareholder on the other hand.

## **ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee comprising Ms. Ng Yuk Mui Jessica, being a non-executive Director, and Mr. Lam Kin Fung Jeffrey, Dr. Hu Shao Ming Herman and Mr. Luk Koon Hoo, Roger, being independent non-executive Directors, who have no direct or indirect interest in the Offers, has been established pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Offer Shareholders as to whether the terms of the Share Offer are fair and reasonable and as to acceptance of the Share Offer and to the Offer Optionholders as to whether the terms of the Option Offer are fair and reasonable and as to acceptance of the Option Offer.

Mr. David Chiu is one of the Vendors and a director of Forever Top. Dr. Cheng is the sole beneficial owner and a director of the Offeror, which is the purchaser in the Transactions. Mr. Hoong Cheong Thard is a director of Forever Top. Mr. Lie Ken Jie Remy Anthony Ket Heng is the senior vice president of Chow Tai Fook Enterprises Limited, of which Dr. Cheng is the chairman. Mr. Tsang On Yip, Patrick is a director of the Offeror, a director and the chief executive officer of Chow Tai Fook Enterprises Limited, and his spouse is a niece of Dr. Cheng. Mr. Tang Sing Ming Sherman is the brother of the sister-in-law of Mr. David Chiu. Accordingly, they will not be members of the Independent Board Committee.

## **APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The Company has appointed Altus Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee, the Offer Shareholders and the Offer Optionholders in connection with the Offers, and such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

## **INTEREST IN THE COMPANY OF THE OFFEROR CONCERT PARTIES AND THE DIRECTORS**

### **Interest in Shares**

As at the date of this joint announcement, (i) there are 7,134,623,520 Shares in issue; and (ii) save for the 3,083,722,894 Shares held by Forever Top, none of the Offeror Concert Parties or any Director hold any Shares.

## Interest in Share Options

As at the date of this joint announcement, (i) there are 241,562,240 outstanding Share Options granted under the Share Option Scheme and all of which are exercisable; (ii) the Offeror Concert Parties hold in aggregate 218,105,600 Share Options; and (iii) the Committed Optionholder holds 3,600,800 Share Options. Details of their interest in the Share Options are set out below:

<b>Optionholder</b>	<b>Share Option</b>
<i>Offeror Concert Parties</i>	
Dr. Cheng	63,785,600
Mr. Tsang	27,006,000
Mr. David Chiu	63,785,600
Mr. Andrew Chiu	36,522,400
Mr. Hoong	<u>27,006,000</u>
Subtotal	<u>218,105,600</u>
<i>Committed Optionholder</i>	
Mr. Lie Ken Jie Remy Anthony Ket Heng	3,600,800
Employees	16,255,040
Other participant	<u>3,600,800</u>
<b>Total</b>	<u><u>241,562,240</u></u>

## Interest in 2019 LCS and 2021 LCS

As at the date of this joint announcement, Forever Top, being an Offeror Concert Party, holds the entire outstanding principal amounts of the 2019 LCS and the 2021 LCS.

## DISCLOSURE OF DEALINGS

Associates of the Offeror and the Company (as defined in the Takeovers Code, including shareholders holding 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of any of the Offeror and the Company) are hereby reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code during the offer period (as defined under the Takeovers Code).

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons*

*under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

### **Dealing and interest in the Company’s securities**

Save for the Transactions, the Offeror, its ultimate beneficial owner and parties acting in concert with any of them had not dealt in any Shares or any options, warrants, derivatives or securities convertible into Shares or other derivatives in respect of securities in the Company during the six-month period immediately prior to the date of this joint announcement.

### **DESPATCH OF THE COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document (accompanied by the forms of acceptance), containing, among other things, (i) the terms and conditions of the Offers; (ii) the expected timetable of the Offers; (iii) a letter of recommendation from the Independent Board Committee to the Offer Shareholders and the Offer Optionholders in respect of the Offers; (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers; and (v) the form of the Option Offer letter, shall be despatched to the Shareholders and the Optionholders within twenty-one (21) days of the date of this joint announcement or such later date as the Executive may approve. As the making of the Offers is conditional on the Transaction Completions, which are subject to certain conditions precedent, an application will be made by the Offeror to seek for the Executive’s consent under Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to a date falling within seven (7) days after the Transaction Completions or such other date as the Executive may approve.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

### **RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 4 October 2021 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 10 November 2021.

## **WARNING**

**The Directors make no recommendation as to the fairness or reasonableness of the Offers or as to the acceptance of the Offers in this joint announcement, and strongly recommend the Offer Shareholders and the Offer Optionholders not to form a view on the Share Offer and the Option Offer, respectively, unless and until they have received and read the letter from the Independent Board Committee containing its recommendations to the Offer Shareholders and the Offer Optionholders in respect of the Offers and the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offers, which will be included in the Composite Document to be despatched to the Shareholders and the Optionholders.**

**The Offers will only be made if the Transaction Completions take place and the Transaction Completions are subject to the conditions precedent set out in the section headed “Conditions Precedent” in this joint announcement. Accordingly, the Offers may or may not be made.**

**The Offers are conditional. If the total number of Shares in respect of the valid acceptances, which the Offeror receives at or before 4:00 p.m. on the closing date of the Offers (or such other time as the Offeror may, subject to the Takeovers Code, decide) under the Share Offer together with the Shares acquired before or during the offer period of the Offers, does not result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company, the Offers will not become unconditional and will lapse.**

**Shareholders, Optionholders and potential investors of the Company should exercise extreme caution when dealing in the relevant securities of the Company. A further announcement will be made by the Offeror and the Company when the Transaction Completions take place. If the Shareholders, Optionholders and potential investors of the Company are in any doubt about their position or as to the action they should take, they should consult their stockbroker, bank manager, solicitor or other professional advisers.**

## **DEFINITIONS**

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

“2019 LCS”

the unlisted long-term convertible bonds in the principal amount of HK\$568 million issued by the Company and subscribed for by Forever Top on 4 June 2019, which are convertible into 4,544,000,000 conversion Shares upon full conversion based on the initial conversion price of HK\$0.125 per conversion Share

“2021 LCS”	the unlisted long-term convertible bonds in the principal amount of HK\$200 million issued by the Company and subscribed for by Forever Top on 31 March 2021, which are convertible into 2,941,176,470 conversion Shares upon full conversion based on the initial conversion price of HK\$0.068 per conversion Share
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day, other than a Saturday or Sunday, on which banks are open for ordinary banking business in Hong Kong
“BVI”	British Virgin Islands
“CA Approval”	consent, approval and/or waiver that is/are required to be granted by the Communications Authority with respect to the change in shareholding structures of the Company as a result of the sale and purchase of the DC Sale Shares and the PS Sale Shares contemplated under the SP Agreements
“Committed Optionholder”	Mr. Lie Ken Jie Remy Anthony Ket Heng, a non-executive Director and the senior vice president of Chow Tai Fook Enterprises Limited
“Communications Authority”	Communications Authority of Hong Kong
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the laws of Hong Kong)
“Company”	i-CABLE Communications Limited (有線寬頻通訊有限公司), a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1097)
“Composite Document”	the composite offer and response document to be jointly despatched by the Offeror and the Company to the Shareholders and the Optionholders in accordance with the Takeovers Code in respect of the Offers
“DC Agreement”	the sale and purchase agreement dated 30 September 2021 and entered into among the Offeror (as purchaser) and Mr. David Chiu (as vendor) in respect of the sale and purchase of the DC Sale Shares and assignment of the DC Sale Loan

“DC Sale Loan”	the aggregate amount then outstanding and owing (including any interest thereon, if any) by Forever Top to Mr. David Chiu as at Transaction Completion Date
“DC Sale Shares”	the 49 shares in Forever Top acquired by the Offeror from Mr. David Chiu in accordance with the terms of the DC Agreement, representing 24.5% of the total number of issued shares in Forever Top as at the date of this joint announcement
“Director(s)”	director(s) of the Company
“Dr. Cheng”	Dr. Cheng Kar-Shun Henry, the sole shareholder and a director of the Offeror, a director of Forever Top and a non-executive Director
“Encumbrances”	means any option, right to acquire, right of pre-emption, title retention, deferred term or conditional sale, mortgage, charge, pledge, lien or other form of security or encumbrance or any other agreement or arrangement having a similar effect
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Forever Top”	Forever Top (Asia) Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder (within the meaning of the Listing Rules) of the Company
“Group”	the Company, its subsidiaries and consolidated structured entities
“Halcyon Capital Limited”	Halcyon Capital Limited, being the financial adviser to the Offeror in relation to the Offers, a registered institution under the SFO to carry on Type 6 (advising on corporate finance) regulated activities under the SFO
“Halcyon Securities Limited”	Halcyon Securities Limited, a registered institution under the SFO to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent board committee of the Company established by the Board pursuant to Rule 2.8 of the Takeovers Code to make a recommendation to the Offer Shareholders and the Offer Optionholders in respect of the Offers
“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee, the Offer Shareholders and the Offer Optionholders in connection with the Offers
“Last Trading Day”	30 September 2021, being the date of the SP Agreements and the last trading day of the Shares immediately prior to the suspension of trading in the Shares on the Stock Exchange pending the release of this joint announcement
“LCS Irrevocable Undertaking”	the irrevocable undertaking dated 9 November 2021 given by Forever Top in connection with the 2019 LCS and the 2021 LCS, details of which are set out in the section headed “Possible Conditional Mandatory Cash Offers — LCS Irrevocable Undertaking” in this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Andrew Chiu”	Mr. Andrew Wah Wai Chiu, being an executive Director and a son of Mr. David Chiu
“Mr. David Chiu”	Tan Sri Dato’ David Chiu, being the Vendor of the DC Sale Shares and DC Sale Loan, a director of Forever Top and a non-executive Director
“Mr. Hoong”	Mr. Hoong Cheong Thard, being a director of Forever Top and a non-executive Director
“Mr. Li”	Mr. Li Sze Lim, being the sole shareholder of Profit Surge and the guarantor of Profit Surge under the PS Agreement
“Mr. Tsang”	Mr. Tsang On Yip, Patrick, being a director of the Offeror and a non-executive Director
“Offer Options”	all the outstanding Share Options, other than those owned by the Offeror Concert Parties, and each, an “Offer Option”
“Offer Optionholders”	Optionholders other than the Offeror Concert Parties

“offer period”	has the meaning ascribed to it under the Takeovers Code
“Offer Shareholders”	Shareholders other than the Offeror Concert Parties
“Offer Shares”	all the Shares in issue, other than those owned or agreed acquired by the Offeror Concert Parties, and each, an “Offer Share”
“Offeror”	Celestial Pioneer Limited, a company incorporated in the BVI with limited liability and wholly-owned by Dr. Cheng, which is the purchaser under the SP Agreements and the Offeror that will, subject to the Transaction Completions, make the Offers through Halcyon Securities Limited
“Offeror Concert Parties”	the Offeror and parties acting in concert, or presumed to be acting in concert, with the Offeror under the definition of “acting in concert” under the Takeovers Code, including but not limited to Dr. Cheng, Mr. Tsang, Mr. Cheng Kam Biu Wilson, Forever Top, Mr. David Chiu, Mr. Hoong, Mr. Andrew Chiu, Celestial Channel Limited, Chow Tai Fook Enterprises Limited, Profit Surge, Mr. Li, Expand Ocean L.P., Hony Communications Limited and Mr. John Huan Zhao
“Offers”	the Share Offer and the Option Offer
“Option Irrevocable Undertaking”	the irrevocable undertaking dated 9 November 2021 given by the Committed Optionholder and each of the Offeror Concert Parties that hold Share Options in connection with the Option Offer, details of which are set out in the section headed “Possible Conditional Mandatory Cash Offers — Option Irrevocable Undertaking” in this joint announcement
“Option Offer”	the possible conditional offer to be made by Halcyon Securities Limited for and on behalf of the Offeror to the Offer Optionholders to cancel all outstanding Offer Options on the terms and conditions to be set out in the Composite Document and in compliance with the Takeovers Code
“Option Offer Price”	HK\$0.0001 for each Offer Option, payable by the Offeror to the Offer Optionholders who tendered their Offer Options for cancellation under the Option Offer
“Overseas Optionholder(s)”	the Optionholder(s) whose address(es), as shown on the register of Optionholders of the Company, is/are outside Hong Kong
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong



“PRC”	the People’s Republic of China (for the purpose of this joint announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan)
“Profit Surge”	Profit Surge Investments Limited, a company incorporated in the BVI with limited liability and wholly owned by Mr. Li. Profit Surge is the vendor of the PS Sale Shares and the PS Sale Loan under the PS Agreement
“PS Agreement”	the sale and purchase agreement dated 30 September 2021 and entered into among the Offeror (as purchaser), Profit Surge (as vendor) and Mr. Li (as guarantor to Profit Surge) in respect of the sale and purchase of the PS Sale Shares and assignment of the PS Sale Loan
“PS Sale Loan”	the aggregate amount then outstanding and owing (including any interest thereon, if any) by Forever Top to Profit Surge as at the Transaction Completion Date
“PS Sale Shares”	the 32 shares in Forever Top to be acquired by the Offeror from Profit Surge in accordance with the terms of the PS Agreement, representing 16.0% of the total number of issued shares of Forever Top as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFC Waiver”	the waiver sought by the Offeror to be granted by the Executive with respect to its obligation to make the Offers as a result of the Transactions
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Share Offer”	the possible conditional mandatory cash offer to be made by Halcyon Securities Limited for and on behalf of the Offeror to acquire all Offer Shares, on the terms and conditions to be set out in the Composite Document and in compliance with the Takeovers Code
“Share Offer Price”	HK\$0.0264 for each Offer Share, payable by the Offeror to the Offer Shareholders who tender their Offer Shares for acceptance under the Share Offer
“Share Option Scheme”	the share option scheme of the Company adopted on 24 May 2018

“Share Options”	shares issuable under the share options granted by the Company pursuant to the Share Option Scheme
“Shareholders”	holders of the Shares
“SP Agreements”	the DC Agreement and the PS Agreement, each an SP Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Transaction Completions”	completion of each of the Transactions in accordance with the terms and conditions of the relevant SP Agreement
“Transaction Completion Date”	the date on which Transaction Completions take place, being the fourth Business Day following the date on which the last of the conditions precedent of the relevant SP Agreement (except such conditions which are expressed to be satisfied on or as at Transaction Completion) are satisfied or waived, or such other time and date as the parties to the relevant SP Agreement may mutually agree in writing
“Transactions”	the sale and purchase of the DC Sale Shares and DC Sale Loan by the Offeror from Mr. David Chiu under the DC Agreement and the sale and purchase of the PS Sale Shares and the PS Sale Loan by the Offeror from Profit Surge under the PS Agreement, each a “Transaction”
“Vendors”	Mr. David Chiu and Profit Surge, each a Vendor
“%”	per cent.

For and on behalf of  
**Celestial Pioneer Limited**  
**Dr. Cheng Kar-Shun Henry**  
*Director*

By order of the Board  
**i-CABLE Communications Limited**  
**Tan Sri Dato’ David Chiu**  
*Chairman*

Hong Kong, 9 November 2021

*As at the date of this joint announcement, the Board comprises eleven Directors, namely Tan Sri Dato’ David Chiu (Chairman), Dr. Cheng Kar-Shun, Henry (Vice-chairman), Mr. Tsang On Yip, Patrick, Mr. Hoong Cheong Thard, Mr. Lie Ken Jie Remy Anthony Ket Heng and Ms. Ng Yuk Mui Jessica as non-executive Directors, Mr. Andrew Wah Wai Chiu as executive Director, and Mr. Lam Kin Fung Jeffrey, Dr. Hu Shao Ming Herman, Mr. Luk Koon Hoo, Roger and Mr. Tang Sing Ming Sherman as independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable*

*enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, the directors of the Offeror are Dr. Cheng Kar-Shun Henry, Mr. Cheng Kam Biu Wilson and Mr. Tsang On Yip, Patrick.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Company), and confirms, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*