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Rui Er Holdings Company Limited
(Incorporated in the British Virgin Islands with limited liability)

Summi (Group) Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00756)

JOINT ANNOUNCEMENT

- (1) CONDITIONAL AGREEMENT IN RELATION TO THE ACQUISITION OF SALE SHARES BY THE OFFEROR;**
(2) POSSIBLE CONDITIONAL MANDATORY CASH OFFERS BY GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES IN SUMMI (GROUP) HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT) AND TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS;
AND
(3) RESUMPTION OF TRADING IN SHARES

Financial adviser to the Offeror



Guotai Junan Capital Limited

Offer agent to the Offeror



Guotai Junan Securities (Hong Kong) Limited

SHARE PURCHASE AGREEMENT

The Board has been informed by the Vendor that on 28 September 2018, the Vendor and the Offeror entered into the Share Purchase Agreement pursuant to which the Vendor has conditionally agreed to sell and the Offeror has conditionally agreed to purchase, in aggregate, 602,980,145 Sale Shares, representing approximately 44.74% of the existing issued share capital of the Company as at the date of this joint announcement. The total consideration for the Sale Shares is HK\$120,596,029, equivalent to HK\$0.2 per Sale Share.

The Share Purchase Completion is subject to certain conditions precedent.

The obligations and liabilities of the Vendor under the Share Purchase Agreement will be secured by the Share Charge over the Sale Shares and the personal guarantee given by Mr. Sin in favour of the Offeror.

CONDITIONAL MANDATORY CASH OFFERS

As at the date of this joint announcement, the Offeror and parties acting in concert with it do not hold any Shares in the share capital or voting rights of the Company. Immediately following the Share Purchase Completion, the Offeror and parties acting in concert with it will be interested in a total of 602,980,145 Shares, representing approximately 44.74% of the issued share capital of the Company.

Subject to and upon the Share Purchase Completion, Guotai Junan Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make (i) the Share Offer to acquire all issued Shares in the share capital 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 Rule 26.1 of the Takeovers Code; and (ii) the Option Offer to cancel all the outstanding Share Options at appropriate price in compliance with Rule 13 of the Takeovers Code.

Immediately after the Share Purchase Completion, Mr. Sin, the Chairman and an executive Director, will continue to be interested in the 15,688,000 Shares, representing approximately 1.17% of the entire issued share capital of the Company, and 4,000,000 Share Options. Each of Mr. Sin and Mr. San Kwan, an executive Director and holder of 8,000,000 Shares and 2,000,000 Share Options, has irrevocably and unconditionally undertaken to the Offeror that (i) he shall not tender any of the Shares held by him for acceptance in respect of the Share Offer; (ii) he shall not tender any of the Share Options for acceptance in respect of the Option Offer; (iii) he will not dispose of any of the Shares held by him from the date of this joint announcement until the close of the Offers; and (iv) he shall not exercise any Share Options granted to him from the date of this joint announcement until the close of the Offers. The irrevocable undertakings shall cease to be binding after the close of the Offers, or if the Share Purchase Agreement is terminated and the Offers are not proceeded with.

As at the date of this joint announcement, there are 1,347,860,727 Shares in issue and outstanding Share Options in respect of 54,000,000 Shares. The exercise price of the outstanding Share Options is HK\$1.112 per Share Option, all of which are exercisable on or before 19 November 2020. Save for the Share Options, the Company has no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the date of this joint announcement.

Subject to and upon the Share Purchase Completion, Guotai Junan Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offers (i) to acquire all the Offer Shares and (ii) to cancel all outstanding Share Options on the terms to be set out in the offer document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.2 in cash

The Share Offer Price of HK\$0.2 per Offer Share is the same as the purchase price per Sale Share under the Share Purchase Agreement which was arrived at after arm's length negotiations between the Offeror and the Vendor.

For cancellation of each Share Option HK\$0.01 in cash

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, the Option Offer Price would normally represent the difference between the exercise price of the Share Options and the Share Offer Price. Under the Option Offer, given that the exercise price of the outstanding Share Options is above the Share Offer Price, the outstanding Share Options are out-of-money and the Option Offer Price for the cancellation of each outstanding Share Option is set at a nominal value of HK\$0.01. The Option Offer will be extended to all Optionholders in accordance with the Takeovers Code.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offers.

The Offeror intends to finance the consideration payable under the Offers and the consideration under the Share Purchase Agreement from its internal resources and the Facility. The availability of the Facility will not be affected by the underlying value of the security. Guotai Junan Capital, has been appointed as the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient resources are available to the Offeror to satisfy the consideration under the Share Purchaser Agreement and the full acceptance of the Offers.

CONDITION TO THE OFFERS

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

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects. Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

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 Offers 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).

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established by the Company to advise the Offer Shareholders and Optionholders in respect of the Offers pursuant to Rule 2.1 of the Takeovers Code.

An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made by the Company as soon as possible after the appointment of the independent financial adviser. The advice of the independent financial adviser and the recommendation of the Independent Board Committee will be included in the Composite Document to be despatched to the Shareholders and Optionholders.

COMPOSITE DOCUMENT

It is the intention of the Offeror and the Board that the offer document and the offeree board circular be combined in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, it is expected that the Composite Document containing, among other things, (i) further details of the Offers; (ii) a letter of recommendation from the Independent Board Committee in respect of the Offers; (iii) a letter of advice from the independent financial adviser in respect of the Offers; and (iv) the Forms of Acceptance, will be despatched to the Shareholders and the Optionholders within 21 days of the date of this joint announcement.

As the making of the Offers is conditional on the Share Purchase Completion, 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 days of Share Purchase Completion or such other date as the Executive may approve.

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 11:00 a.m. on 28 September 2018 pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 October 2018.

WARNING:

THE OFFERS WILL ONLY BE MADE IF THE SHARE PURCHASE COMPLETION TAKES PLACE AND ARE CONDITIONAL. IF THE TOTAL NUMBER OF SHARES IN RESPECT OF THE VALID ACCEPTANCES, WHICH THE OFFEROR RECEIVED 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 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 AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE RELEVANT SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT A LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.

Reference is made to the announcement of the Company dated 28 September 2018 in relation to the trading halt in the Shares pending the release of this joint announcement.

SHARE PURCHASE AGREEMENT

On 28 September 2018, the Offeror and the Vendor entered into the Share Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell and the Offeror conditionally agreed to acquire the Sale Shares, representing approximately 44.74% of the entire issued share capital of the Company as at the date of this joint announcement. A summary of the major terms of the Share Purchase Agreement is set out below.

Date 28 September 2018

Parties (i) the Vendor (as the vendor of the Sale Shares), directly and beneficially own in aggregate 602,980,145 Shares, representing approximately 44.74% of the existing issued share capital of the Company as at the date of this joint announcement;

 (ii) the Offeror (as the purchaser of the Sale Shares);

The Offeror has confirmed that, immediately before entering into of the Share Purchase Agreement, it, its ultimate beneficial owner and parties acting in concert with any of them are Independent Third Parties. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Offeror and its ultimate beneficial owner and parties acting in concert with any of them are Independent Third Parties.

The Vendor is owned as to 49% by Cheer Sky Limited and 51% by Ms. Hong Man Na, the spouse of Mr. Sin. Cheer Sky Limited is owned as to 51% by Mr. Sin and 49% by Ms. Hong Man Na.

The obligations and liabilities of the Vendor under the Share Purchase Agreement will be secured by the charging of the Sale Shares by the Vendor to the Offeror and guaranteed by Mr. Sin.

Subject matter

Pursuant to the Share Purchase Agreement, the Vendor has conditionally agreed to sell and the Offeror has conditionally agreed to purchase, in aggregate, 602,980,145 Sale Shares, representing approximately 44.74% of the existing issued share capital of the Company as at the date of this joint announcement.

The Vendor and the Offeror shall not be obliged to complete the sale and purchase of the Sale Shares unless the sale and purchase of all the Sale Shares are completed simultaneously.

Consideration for the Sale Shares

The total consideration for the Sale Shares is HK\$120,596,029 (the “**Consideration**”), equivalent to HK\$0.2 per Sale Share, which was determined after arm’s length negotiations between the Offeror and the Vendor taking into account, among other things, (i) the recent trading performance of the Company; (ii) the earnings per share of the Group for the year ended 30 June 2018 was RMB0.87 cents, which represented a 82.87% decrease compared to that of 2017; (iii) the Group had total bank loans of approximately RMB892.9 million as at 30 June 2018, while cash and cash equivalents and pledged bank deposits of the Group amounted to approximately RMB521.5 million as at 30 June 2018; (iv) the price-to-earning ratio of the Group based on the Consideration per Sale Share and the Group’s earnings per Share for the year ended 30 June 2018 was approximately 20.4x; and (v) the latest published consolidated net asset value per Share of the Group.

The Consideration is payable by the Offeror in the following manner:

- (A) HK\$76,798,580, being the 1st Payment, has been paid by the Offeror to the Vendor (or its nominee(s)) in cash upon the execution of the Share Purchase Agreement; and
- (B) the remaining balance of HK\$43,797,449 shall be payable by the Offeror to the Vendor (or its nominee(s)) upon the Share Purchase Completion.

Conditions precedent

The Share Purchase Completion is conditional upon the following conditions (the “**Condition(s)**”) being fulfilled and remaining satisfied at the Share Purchase Completion (or, where applicable, waived by the Offeror or the Vendor (as the case may be)):

- (a) the Shares remaining listed and traded on the Main Board of the Stock Exchange, and no notification or indication being received from the Stock Exchange or the SFC prior to the Share Purchase Completion that the Company may not be suitable for listing for the purpose of the Listing Rules, the listing of the Shares on the Stock Exchange will or may be, for whatever reason, withdrawn or suspended for more than ten consecutive Business Days (excluding any suspension for the purpose of obtaining clearance from the SFC or the Stock Exchange for this joint announcement and other announcements relating to the transactions contemplated under the Share Purchase Agreement);
- (b) if required, all approvals, consents and acts required from any third parties (including banks and financial institutions) pursuant to any contracts with the Vendor and/or the Group to which it is a party in connection with the Share Purchase Agreement and the transactions contemplated thereunder having been obtained and completed;

- (c) if required, all approvals, consents and acts required under the Listing Rules or other applicable laws and regulations in connection with the Share Purchase Agreement and the transactions contemplated thereunder having been obtained and completed by the Group and the Vendor or, as the case may be, the relevant waiver from compliance with any of such laws, rules, regulations and requirements having been obtained from the Stock Exchange, the SFC or other relevant regulatory authorities or the relevant third parties;
- (d) the Warranties remaining true, accurate and not misleading in all material respects from the date of the signing of the Share Purchase Agreement up to the Share Purchase Completion Date (both days inclusive); and
- (e) the Offeror Warranties remaining true, accurate and not misleading in all material respects from the date of the signing of the Share Purchase Agreement up to the Share Purchase Completion Date (both days inclusive).

To the best of the knowledge of the Directors and the sole director of the Offeror having made reasonable enquiries, in connection with the Conditions (b) and (c) above, save for the approvals and consents for the change in control of the Group pursuant to the loan facility agreements entered into between the Group and certain banks and financial institutions, no other approvals, consents and acts would be required in connection with the Share Purchase Agreement and the transactions contemplated thereunder.

The Offeror may at its absolute discretion at any time waive in writing Conditions (a), (b) and (d) above and such waiver may be made subject to such terms and conditions as are determined by the Offeror. The Vendor may at its absolute discretion at any time waive in writing Condition (e) above and such waiver may be made subject to such terms and conditions as determined by the Vendor.

The Parties shall use their respective best endeavours to satisfy the Conditions at or before 5 p.m. on the Long Stop Date. If any of the Conditions have not been satisfied or otherwise waived on or before the Long Stop Date (or such other date as agreed by the Vendor and the Offeror in writing), the Share Purchase Agreement shall be terminated, and the Vendor shall return the 1st Payment (without interest) to the Offeror within three months after the termination of the Share Purchase Agreement.

Share Charge and Personal Guarantee

The obligations and liabilities of the Vendor under the Share Purchase Agreement (including the return of the 1st Payment by the Vendor to the Offeror if the Share Purchase Completion does not take place) will be secured by the Share Charge over the entire 602,980,145 Sale Shares and the personal guarantee given by Mr. Sin in favour of the Offeror.

Pursuant to the Share Purchase Agreement, in the event the Share Purchase Agreement is terminated, the Vendor shall return the 1st Payment to the Offeror within three months after the termination. If the Vendor fails to do so, it will constitute an event of default under the Share Charge. Under the Share Charge, the voting rights of the Sale Shares are exercisable by the Vendor prior to the occurrence of an event of default, and are exercisable by the Offeror only upon the occurrence of an event of default.

Share Purchase Completion

Subject to the fulfillment or waiver (as the case may be) of the Conditions, Share Purchase Completion will take place at or before 3:00 p.m. on the Share Purchase Completion Date, being the third Business Day after all of the Conditions have been fulfilled or waived (as the case may be) (or such other date and/or time as to be agreed by the Offeror and the Vendor).

POSSIBLE CONDITIONAL MANDATORY CASH OFFERS

Upon the Share Purchase Completion, the Offeror and parties acting in concert with it will be interested in 602,980,145 Shares, representing approximately 44.74% of the issued share capital of the Company as at the date of this joint announcement.

Pursuant to Rule 26.1 of the Takeovers Code, on Share Purchase Completion, the Offeror will be required to make conditional mandatory cash offer for the Offer Shares, being all the issued Shares during the offer period (other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with the Offeror). Pursuant to Rule 13.5 of the Takeovers Code, the Option Offer will also be made to cancel all the outstanding Share Options. Guotai Junan Securities will, for and on behalf of the Offeror, make the Share Offer to acquire all the Offer Shares and the Option Offer to cancel all the outstanding Share Options on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code.

As at the date of this joint announcement, there are 1,347,860,727 Shares in issue and outstanding Share Options which entitle the holders thereof to subscribe for 54,000,000 new Shares. The exercise price of the outstanding Share Options is HK\$1.112 per Share Option, all of which are exercisable on or before 19 November 2020. All Share Options were granted under the previous share option scheme adopted by the Company on 7 June 2008 and refreshed at the annual general meeting of the Company held on 5 November 2012.

Save as disclosed above, the Company has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Terms of the Offers

Subject to and upon the Share Purchase Completion, Guotai Junan Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make (i) the Share Offer to acquire all the Offer Shares and (ii) the Option Offer to cancel of all the outstanding Share Options on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on terms to be set out in the Composite Document.

Share Offer

For each Offer Share HK\$0.2 in cash

The Share Offer Price of HK\$0.2 per Offer Share is the same as the purchase price per Sale Share under the Share Purchase Agreement. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the despatch of the Composite Document.

Option Offer

For cancellation of each Share Option HK\$0.01 in cash

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, the Option Offer Price would normally represent the difference between the exercise price of the Share Options and the Share Offer Price. Under the Option Offer, given that the exercise price of the outstanding Share Options is above the Share Offer Price, the outstanding Share Options are out-of-money and the Option Offer Price for the cancellation of each outstanding Share Option is set at a nominal value of HK\$0.01. The Option Offer will be extended to all Optionholders in accordance with the Takeovers Code.

Irrevocable undertakings in respect of the Offers

Immediately after the Share Purchase Completion, Mr. Sin, the Chairman and an executive Director, will continue to be interested in the 15,688,000 Shares, representing approximately 1.17% of the entire issued share capital of the Company, and 4,000,000 Share Options. Each of Mr. Sin and Mr. San Kwan, an executive Director and holder of 8,000,000 Shares and 2,000,000 Share Options, has irrevocably and unconditionally undertaken to the Offeror that (i) he shall not tender any of the Shares held by him for acceptance in respect of the Share Offer; (ii) he shall not tender any of the Share Options for acceptance in respect of the Option Offer; (iii) he will not dispose of any of the Shares held by him from the date of this joint announcement until the close of the Offers; and (iv) he shall not exercise any Share Options granted to him from the date of this joint

announcement until the close of the Offers. The irrevocable undertakings shall cease to be binding after the close of the Offers, or if the Share Purchase Agreement is terminated and the Offers are not proceeded with.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offers.

Condition to the Offers

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

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects. Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be entirely cancelled and renounced.

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 Offers 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).

Comparisons of value

The Share Offer Price of HK\$0.2 represents:

- (i) a discount of approximately 39.39% to the closing price of HK\$0.33 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 40.48% to the average closing price of HK\$0.336 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 41.00% to the average closing price of approximately HK\$0.339 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;

- (iv) a discount of approximately 46.52% to the average closing price of approximately HK\$0.374 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 86.49% to the audited consolidated net asset value per Share of approximately RMB1.294 (equivalent to approximately HK\$1.48 per Share) as at 30 June 2018.

Highest and lowest Share prices

During the six-month period prior to commencement of the offer period on 28 September 2018, the highest closing price of the Shares was HK\$0.9 per Share as quoted on the Stock Exchange on 29 March 2018 and the lowest closing price of the Shares was HK\$0.325 per Share as quoted on the Stock Exchange on 20 September 2018.

Value of the Offers

As at the date of this joint announcement, there are 1,347,860,727 Shares in issue. Based on the Share Offer Price of HK\$0.2 per Share, the entire issued share capital of the Company is valued at approximately HK\$269.6 million.

Excluding the Sale Shares to be acquired by the Offeror under the Share Purchase Agreement and on the basis that (i) there is no change in the issued share capital of the Company; and (ii) none of the outstanding Share Options (which carry rights to subscribe for 54,000,000 Shares) are exercised from the date of this joint announcement up to the close of the Offers, a total of 744,880,582 Shares will be subject to the Share Offer and 54,000,000 Share Options will be subject to the Option Offer. In this scenario, the maximum cash consideration payable by the Offeror under the Share Offer and the Option Offer will be approximately HK\$149 million and HK\$540,000, respectively, amounting to a total of approximately HK\$149.5 million.

Assuming the Share Offer are accepted in full and on the basis that (i) there is no other change in the issued share capital of the Company; (ii) Mr. Sin and Mr. San Kwan have undertaken not to tender any of the 23,688,000 non-acceptance Shares and 6,000,000 Share Options held by them for acceptance in respect of the Share Offer and Option Offer respectively; (iii) Mr. Sin and Mr. San Kwan have undertaken not to exercise any Share Options held by them from the date of this joint announcement until the close of the Offers; and (iv) no other Share Option is exercised from the date of this joint announcement until the close of the Offers, a total of 721,192,582 Shares will be subject to the Share Offer and 48,000,000 Share Options will be subject to the Option Offer. The maximum cash consideration payable by the Offeror under the Offers will be approximately HK\$144.7 million.

Settlement of consideration

Subject to the Share Offer having become, or have been declared, unconditional in all respects, settlement of the consideration in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) of the date of receipt of duly completed and valid acceptances in respect of the Offers, or the date on which the Offers become or are declared unconditional in all aspects, whichever is later.

No fractions of a cent will be payable and the amount of cash consideration payable to an Offer Shareholder or an Optionholder (as the case may be) who accepts the Share Offer or the Option Offer (as the case may be) will be rounded up to the nearest cent.

Return of documents

If the Share Offer do not become, or are not declared, unconditional in all respects within the time permitted by the Takeovers Code, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the branch registrar of the Company in Hong Kong will be returned to the Shareholders and Optionholders (as the case may be) who have accepted the Offers by ordinary post at the Shareholders' and Optionholders' own risk as soon as possible but in any event within ten (10) days after the Offers have lapsed.

Confirmation of financial resources

The Offeror intends to finance the consideration payable under the Offers and the Consideration under the Share Purchase Agreement from its internal resources and/the Facility. The availability of the Facility will not be affected by the underlying value of the security. Guotai Junan Capital, which has been appointed as the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient resources are available to satisfy the consideration under the Share Purchase Agreement and the full acceptance of the Offers.

Dealing and interest in the Company's securities

The Offeror and parties acting in concert with it have not dealt in the Shares, Share Options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to 28 September 2018 up to the date of this joint announcement.

Other arrangements

The Offeror confirms that, save for the Share Purchase Agreement, as at the date of this joint announcement:

- (a) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company;
- (b) save as disclosed in this joint announcement, the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offers;
- (c) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (d) 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;
- (e) 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;
- (f) 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 owners and/or parties acting in concert with any of them has borrowed or lent;
- (g) there is no agreement or arrangement between (a) the Vendor and parties acting in concert with it and (b) the Offeror and parties acting in concert with it which constitutes a special deal under Rule 25 of the Takeovers Code;
- (h) save for the consideration payable by the Offeror to the Vendor pursuant to the Share Purchase Agreement, the Vendor and/or the parties acting in concert with it (including Mr. Sin and his spouse Ms. Hong Man Na) has not and will not receive any other consideration or benefits in whatever form from the Offeror, its ultimate beneficial owner and/or the parties acting in concert with it; and
- (i) save for the irrevocable undertaking made by Mr. Sin and Mr. San Kwan in respect of the Offers, the Share Purchase Agreement, the Share Charge and the personal guarantee given by Mr. Sin in favour of the Offeror, there is no other arrangement, agreement or undertaking between (a) the Vendor and parties acting in concert with it and (b) the Offeror and parties acting in concert with it.

Effect of accepting the Offers

Subject to the Share Offer becoming unconditional, provided that valid acceptance forms and the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order and have been received by the branch share registrar of the Company in Hong Kong, the Shareholders will sell their tendered Shares to the Offeror free from all encumbrances and together with all rights attaching to them, including, without limitation, the rights to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Share Offer is made, that is, the date of despatch of the Composite Document.

Subject to the Option Offer becoming unconditional, acceptance of the Option Offer by Optionholders will result in the cancellation of those outstanding Share Options, together with all rights attaching thereto. Shares Options will lapse automatically (to the extent not exercised) on the date upon the close of the Offers.

Acceptance of the Offers will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event, within seven business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offers and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid or the date on which the Offers become or are declared unconditional in all aspects, whichever is later.

Hong Kong stamp duty

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offers will be payable by the relevant Offer Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Offer Shareholders accepting 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 Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptances of the Option Offer.

Taxation advice

Independent 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 the Offeror, the Company and their respective ultimate beneficial owners, directors, officers, advisers, 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 Offeror intends to make the Offers available to all independent Offer Shareholders and Optionholders, including those who are resident outside Hong Kong. The availability of the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. The Overseas Shareholders and/or Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibilities of the Overseas Shareholders and Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental, exchange control 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 Optionholders in respect of such jurisdictions).

Any acceptance by Shareholders and/or Optionholders and beneficial owners of the Shares and Share Options who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with. Shareholders and/or Optionholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) upon the Share Purchase Completion but before the Share Offer is made:

Name of Shareholder	As at the date of this joint announcement		Immediately upon the Share Purchase Completion but before the Share Offer is made	
	Number of Shares	Approx. %	Number of Shares	Approx. %
The Vendor (<i>Note 1</i>)	602,980,145	44.74	—	—
Mr. Sin (<i>Note 2</i>)	15,688,000	1.17	15,688,000	1.17
Mr. San Kwan (<i>Note 3</i>)	8,000,000	0.59	8,000,000	0.59
CITIC Securities Company Limited (“ CITIC Securities ”) (<i>Note 4</i>)	68,915,200	5.11	68,915,200	5.11
The Offeror (<i>Note 5</i>)	—	—	602,980,145	44.74
Independent trustee of the share award scheme of the Company (<i>Note 6</i>)	19,412,000	1.44	19,412,000	1.44
Public Shareholders	<u>632,865,382</u>	<u>46.95</u>	<u>632,865,382</u>	<u>46.95</u>
	<u><u>1,347,860,727</u></u>	<u><u>100.00</u></u>	<u><u>1,347,860,727</u></u>	<u><u>100.00</u></u>

Notes:

- (1) The Vendor is a corporation controlled by Mr. Sin. Mr. Sin beneficially owned 51% interest in Cheer Sky Limited (“**Cheer Sky**”) which beneficially owned 49% interest in the Vendor. Ms. Hong Man Na, the spouse of Mr. Sin, beneficially owned 51% interest in the Vendor. Therefore, Mr. Sin and Ms. Hong Man Na were deemed, or taken to be, interested in all the Shares held by the Vendor under the SFO. As Ms. Hong Man Na is the spouse of Mr. Sin, Ms. Hong Man Na is also deemed to be interested in all the Shares personally held by Mr. Sin under the SFO.
- (2) Mr. Sin, an executive Director, who beneficially owned 15,688,000 Shares and 4,000,000 Share Options.
- (3) Mr. San Kwan, an executive Director, who beneficially owned 8,000,000 Shares 2,000,000 Share Options.
- (4) CSI Capital Management Limited (“**CSI Capital**”) is wholly owned by CITIC CLSA Global Markets Holdings Limited (“**CITIC CLSA**”); CITIC CLSA is wholly owned by CLSA B.V.; CLSA B.V. is wholly owned by CITIC Securities International Company Limited (“**CITIC International**”), which is wholly owned by CITIC Securities. Therefore, each of CITIC CLSA, CLSA B.V., CITIC International and CITIC Securities is deemed to be interested in the 68,915,200 Shares held by CSI Capital.

- (5) The Offeror is wholly and beneficially owned by Mr. Wu. Mr. Wu is deemed to be interested in all the Shares held by the Offeror. There is no other person acting in concert with Mr. Wu is a Shareholder.
- (6) 19,412,000 Shares are held by Core Pacific-Yamaichi International (H.K.) Nominees Limited, the independent trustee, for the share award scheme adopted by the Company on 11 September 2015. Since the adoption of the share award scheme, there has been no Share awarded to any eligible participants under the scheme.
- (7) Shareholding percentages may not add up to 100% due to roundings.

INFORMATION ON THE PARTIES

The Group

The Group's business is principally engaged in cultivation and selling of fresh oranges, production and sale of frozen concentrated orange juice and its related products and production and sale of Summi fresh orange juice. The following table is a summary of certain audited consolidated financial information of the Group for the two financial years ended 30 June 2018 as extracted from the annual report of the Company for the year ended 30 June 2018.

	Year ended 30 June	
	2017 (audited) <i>RMB\$'000</i>	2018 (audited) <i>RMB\$'000</i>
Revenue	604,286	661,721
Gross Profit	212,379	223,797
Profit/(loss) before tax	67,045	10,710
Profit/(loss) after tax	67,483	11,562
Consolidated net asset value attributable to the owners of the Company	1,735,199	1,744,191

The Offeror group

The Offeror was incorporated in the BVI with limited liability and is an investment holding company. The Offeror is wholly and beneficially owned by Mr. Wu, its sole director. Mr. Wu, aged 51, has over 18 years of management experience in property development in the PRC and he also obtained a master of educational leadership degree from the University of Canberra. Although the Offeror/Mr. Wu has no relevant experience in the principal business activities of the Group, the Offeror intends to leverage on the operational experience of the Mr. Sin, who will remain as an executive Director following the close of Offers, in managing the business of the Group following Share Purchase Completion.

Save for entering into of the Share Purchase Agreement with the Vendor and other agreements in relation to the Share Purchase Agreement, the Offeror did not engage in any business activities. Prior to the Share Purchase Completion, the Offeror does not have any assets other than the interest-free loan in the amount of RMB151,998,580 provided by Mr. Wu.

The Offeror and its ultimate beneficial owner, are Independent Third Parties to the Group.

Loan agreements between Mr. Wu and the Group

On 26 August 2018, Mr. Wu as lender, Chongqing Tianbang Food Co., Limited (重慶天邦食品有限公司) (“**Chongqing Tianbang**”), a wholly-owned subsidiary of the Company, as borrower, and Mr. Sin as guarantor entered into a loan agreement (the “**First Loan Agreement**”), pursuant to which Mr. Wu agreed to provide a loan (the “**First Loan**”) in the principal amount of RMB50,000,000 to Chongqing Tianbang for a term of one year from the date of drawdown. Interest on the First Loan was charged at 12% per annum and shall be payable in arrears. Pursuant to the First Loan Agreement, Mr. Sin has provided personal guarantee to secure the obligation of Chongqing Tianbang under the First Loan Agreement.

On 21 September 2018, Mr. Wu as lender, Chongqing Tianbang as borrower and Mr. Sin as guarantor entered into a loan agreement (the “**Second Loan Agreement**”), pursuant to which Mr. Wu agreed to provide a loan (the “**Second Loan**”) in the principal amount of RMB11,000,000 to Chongqing Tianbang for a term of one year from the date of drawdown. Interest on the Second Loan was charged at 12% per annum and shall be payable in arrears in one lump sum together with the principal amount of the Second Loan on the repayment date. Pursuant to the Second Loan Agreement, Mr. Sin has provided personal guarantee to secure the obligation of Chongqing Tianbang under the Second Loan Agreement.

FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP

Upon the Share Purchase Completion, the Offeror will become the controlling shareholder of the Company. The Offeror intends to continue the existing principal businesses of the Group. The Offeror has no intention to discontinue the employment of the employees (save for changes in the composition of the Board) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

The Offeror will, following the close of the Offers, conduct a review on the business activities/operations and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review and should suitable investment or business opportunities arise, the Offeror may explore other business opportunities for the Company which may

involve acquisitions or investments in assets and/or businesses or cooperation with business partners of the Offeror with a view of enhancing the Group's business growth and asset base as well as broadening its income stream.

Save for the possible issuance of convertible bonds as disclosed below, as at the date of this joint announcement, the Offeror has no plan, and has not engaged in any discussion or negotiation, on any injection of any assets or businesses into the Group.

Proposed change of Board composition

The Board is currently made up of six Directors, comprising two executive Directors, being Mr. Sin and Mr. San Kwan; one non-executive director, being Mr. Tsang Sze Wai Claudius and three independent non-executive Directors, being Mr. Zeng Jianzhong, Mr. Zhuang Weidong and Mr. Zhuang Xueyuan.

It is expected that the Offeror will require certain of the executive Director(s) and non-executive Director(s) to resign from the Board and the Offeror will nominate new executive Director(s) and non-executive Directors to the Board at the earliest time as permitted under the Takeovers Code. Following the despatch of the Composite Document, it is proposed that Mr. Wu and Mr. Wu Liantao, the son of Mr. Wu will be appointed as executive Directors. Set out below are the biographic details of the above-mentioned nominees for appointment as executive Directors. Further details required by Rule 13.51(2) of the Listing Rules will be announced after the appointment takes effect:

Mr. Wu Shaohao (吳紹豪先生)

Mr. Wu Shaohao, aged 51, has over 18 years of management experience in property development in the PRC. Mr. Wu obtained a master of educational leadership degree from the University of Canberra.

Mr. Wu has been the chairman of the board of directors of 江蘇瑞爾房地產集團公司 (Jiangsu Ruier Property Development Group Company Limited*) (“**Jiangsu Ruier**”), 上海電子商城有限公司 (Shanghai E-commerce Company Limited) (“**Shanghai E-commerce**”), 瀋陽金沙城置業有限公司 (Shenyang Sands City Property Company Limited*) (“**Shenyang Sands**”) and 江蘇水之源置業有限公司 (Jiangsu Shuizhiyan Property Company Limited*) (“**Jiangsu Shuizhiyan**”) since March 2000. Jiangsu Ruier, Shenyang Sands and Jiangsu Shuizhiyan are principally engaged in property development business and Shanghai E-commerce is principally engaged in operating a wholesale market in Jiaqing, Shanghai.

Save as disclosed above, Mr. Wu (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of this joint announcement, Mr. Wu is the sole director and sole shareholder of the Offeror, which is interested in the 602,980,145 Sale Shares to be acquired by the Offeror pursuant to the Share Purchase Agreement. Mr. Wu is therefore deemed to be interested in the 602,980,145 Sale Shares under the SFO.

Save as disclosed in this announcement, there is no further information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules, nor are there other matters relating to the appointment of Mr. Wu that needs to be brought to the attention of the shareholders of the Company.

Mr. Wu Liantao (吳聯韜先生)

Mr. Wu Liantao, aged 25, graduated from Purdue University in 2016 with a double bachelor's degree in finance and management. Mr. Wu Liantao has been served as investment manager in Shanghai Sailing Capital Pushi Management Co.,Ltd (上海賽領翮玄資產管理有限公司) since August 2017 and served as accountant in Signature Homes, a property developer in California, from August 2016 to March 2017.

Save as disclosed above, Mr. Wu Liantao (i) has not served in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company.

As at the date of this joint announcement, Mr. Wu Liantao does not hold any Share interests within the meaning of Part XV of the SFO.

It is proposed that other new Directors will be nominated to the Board. However, the proposed changes have not yet been finalised as at the date of this joint announcement and a further announcement will be made in respect of changes to the composition to the Board in compliance with the Takeovers Code and the Listing Rules.

Public float and maintaining the listing status of the Company

The Offeror intends to maintain the listing of the Shares on Main Board after the close of the Offers. The Offeror and the Company will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offers to ensure that not less than 25% of the Shares will be held by the public.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the listed issuer, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

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

it will consider exercising its discretion to suspend trading in the Shares.

Possible issuance of convertible bond(s)

The Company intends to raise funds for the purpose of repaying its outstanding bank loans by issuing convertible bond(s) (the “CB”) in the principal amount of US\$10 million to US\$15 million and at a conversion price of HK\$0.2 per conversion Share. Assuming the conversion rights attaching to the CB are exercised in full at the proposed conversion price of HK\$0.2 per Share, a total of 390,000,000 new Shares to 585,000,000 new Shares will be issued, representing approximately 28.93% to 43.40% of the issued share capital of the Company as at the date of this joint announcement and approximately 22.44% to 30.27% of the entire issued share capital of the Company as enlarged by the issue of the conversion Shares. The Company intends to appoint a placing agent to place, on a best effort basis, the CB to Independent Third Party investors. In the event the placing agent fails to do so, the Company intends to issue to the Offeror, and the Offeror intends to subscribe for, the CB, which will constitute a connected transaction of the Company. As at the date of this joint announcement, the terms of the CB are still under negotiation between the Company and the placing agent. It is intended that completion of the issuance of the CB will take place during the Offer Period. Completion of the issuance of CB will be conditional upon, among other matters, the Share Purchase Completion but for the avoidance of doubt, will not be conditional upon the Offers becoming unconditional. The subscriber of the CB shall comply with the relevant provisions of the Takeovers Code. If the issue of the aforesaid convertible bond(s) is materialized, the new Shares which shall be allotted and issued upon the full exercise of the conversion rights attaching to the convertible bond(s) will be allotted and issued under a specific mandate to be approved by the independent Shareholders at an extraordinary general meeting of the Company. The Company will inform its Shareholder by way of announcement(s) as and when required in accordance with the Listing Rules.

GENERAL

Independent Board Committee

The Independent Board Committee comprising Mr. Tsang Sze Wai Claudius, Mr. Zeng Jianzhong, Mr. Zhuang Weidong and Mr. Zhuang Xueyuan, all are non-executive Directors, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to advise the Offer Shareholders and/or Optionholders in respect of the Offers, as to whether the terms of the Offers are fair and reasonable and as to the acceptance of the Offers.

An independent financial adviser will be appointed pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers. A further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser.

Despatch of the Composite Document

It is the intention of the Offeror and the Board that the offer document and the offeree board circular be combined in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, it is expected that the Composite Document containing, among other things, (i) further details of the Offers; (ii) a letter of recommendation from the Independent Board Committee in respect of the Offers; (iii) a letter of advice from the independent financial adviser in respect of the Offers; and (iv) the Forms of Acceptance, will be despatched to Shareholders and Optionholders within 21 days of the date of this joint announcement.

As the making of the Offers is conditional on the Share Purchase Completion, 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 days of Share Purchase Completion or such other date as the Executive may approve.

Independent Shareholders and Optionholders are encouraged to read the Composite Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders and Optionholders in respect of the Offers, before deciding whether or not to accept the Offers.

Disclosure of dealings

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including but not limited to a person who owns or controls 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 the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 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 HK\$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.”

SUSPENSION AND RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 11:00 a.m. on 28 September 2018 pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 October 2018.

WARNING: THE OFFERS WILL ONLY BE MADE IF THE SHARE PURCHASE COMPLETION TAKES PLACE AND ARE CONDITIONAL. IF THE TOTAL NUMBER OF SHARES IN RESPECT OF THE VALID ACCEPTANCES, WHICH THE OFFEROR RECEIVED 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 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 AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE RELEVANT SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT A LICENSED

SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.

DEFINITIONS

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

“1st Payment”	HK\$76,798,580 paid by the Offeror to the Vendor (or its nominee(s)) pursuant to the Share Purchase Agreement
“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Business Day(s)”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“Company”	Summi (Group) Holdings Limited, a company incorporated in Cayman Islands with limited liability, whose Shares are listed on the Main Board (Stock Code: 756)
“Composite Document”	the composite offer document and offeree board circular in respect of the Offers proposed to be jointly issued by or on behalf of the Offeror and the Company to the Independent Shareholders and the Optionholders in accordance with the Takeovers Code
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Facility”	a loan facility in the amount of HK\$120,000,000 granted by Guotai Junan Securities in favour of the Offeror, which is guaranteed by Mr. Wu and secured by the charge of the Sale Shares and the Offer Shares to be acquired by the Offeror pursuant to the Offer
“Forms of Acceptance”	the forms of acceptance and transfer of the Shares and the Share Options (as the case may be) in respect of the Offers

“Guotai Junan Capital”	Guotai Junan Capital Limited, a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity as defined in the SFO, being the financial adviser to the Offeror
“Guotai Junan Securities”	Guotai Junan Securities (Hong Kong) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities as defined in the SFO, being the offer agent to the Offeror
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the board of directors of the Company, comprising Mr. Tsang Sze Wai Claudius, Mr. Zeng Jianzhong, Mr. Zhuang Weidong and Mr. Zhuang Xueyuan, formed for the purpose of advising the Offer Shareholders and Optionholders in respect of the Offers
“Independent Third Party(ies)”	person(s) or company(s) who/which is/are not connected with the directors, chief executive or substantial shareholders (as defined under the Listing Rules) of the Company or any of its subsidiaries, or any of their respective associates
“Last Trading Day”	28 September 2018, being the last trading day before trading in the Shares was halted pending the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	5:00 p.m. on 31 October 2018, or such other later date to be agreed between the Purchase and Vendor in writing
“Mr. Sin”	Mr. Sin Ke, the Chairman and an executive Director
“Mr. Wu”	Mr. Wu Shaohao (吳紹豪), the sole shareholder and the sole director of the Offeror
“Non-acceptance Shares”	The 23,688,000 Shares held by the executive Directors immediately after the Share Purchase Completion
“Offers”	the Share Offer and the Option Offer

“Offer Share(s)”	all the Share(s) in issue, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offer Shareholder(s)”	holder(s) of Offer Share(s)
“Offeror”	Rui Er Holdings Company Limited, a company incorporated in the BVI with limited liability
“Option Offer”	the conditional mandatory cash offer being made by Guotai Junan Securities on behalf of the Offeror in accordance with the Takeovers Code to cancel the Share Options in accordance with the Takeovers Code
“Option Offer Price”	the price at which the Option Offer is made, being HK\$0.01 per Share Option
“Optionholder(s)”	holder(s) of the Share Options from time to time
“Overseas Shareholders”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“Offeror Warranties”	the warranties, representations and undertakings given by the Offeror under the Share Purchase Agreement
“Sale Share(s)”	an aggregate of 602,980,145 Shares legally and beneficially owned by the Vendor
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	shares of HK\$0.01 each in the share capital of the Company
“Share Charge”	the share charge dated 10 October 2018 executed by the Vendor as chargor in favour of the Offeror as chargee whereby the Vendor has charged to the Offeror the Sale Shares and agreed to deposit the Sale Shares in a securities trading account maintained with Guotai Junan Securities
“Share Offer”	the conditional mandatory cash offer for the Offer Shares at the Share Offer Price to be made by Guotai Junan Securities on behalf of the Offeror in accordance with the Takeovers Code

“Share Option(s)”	the share option(s) granted by the Company under the share option scheme adopted by the Company on 7 June 2008 and refreshed at the annual general meeting of the Company held on 5 November 2012
“Share Offer Price”	HK\$0.2 per Offer Share in respect of the Share Offer
“Share Purchase”	the purchase of the Sale Shares by the Offeror
“Share Purchase Agreement”	the conditional agreement dated 28 September 2018 entered into between the Vendor and the Offeror in respect of the Share Purchase
“Share Purchase Completion”	completion of the Share Purchase pursuant to the Share Purchase Agreement
“Share Purchase Completion Date”	the third Business Day after all of the Conditions are satisfied or, where applicable, waived by the Offeror or such other date as the Vendor and Offeror may agree in writing
“Shareholders”	registered holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Vendor”	Key Wise Group Limited, a company incorporated in the BVI with limited liability
“Vendor Warranties”	the warranties, representations and undertakings given by the Vendor under the Share Purchase Agreement
“%”	per cent

* *For identification purpose only.*

For ease of reference and unless otherwise specified in this announcement, sums in HK\$ and RMB in this joint announcement have been translated at the rate RMB1.0 = HK\$1.14. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.

By order of the board of directors of
Rui Er Holdings Company Limited
Wu Shaohao
Director

By order of the Board of
Summi (Group) Holdings Limited
Sin Ke
Chairman

Hong Kong, 10 October 2018

As at the date of this announcement, the Board comprises: Mr. SIN Ke and Mr. SAN Kwan as executive Directors; Mr. TSANG Sze Wai Claudius as non-executive Director; and Mr. ZENG Jianzhong, Mr. ZHUANG Weidong and Mr. ZHUANG Xueyuan 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 information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) 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, Mr. Wu Shaohao is the sole director of the Offeror.

The sole director of the Offeror accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Group and the Directors) and confirm, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Group and 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.

In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.