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**CHINA GUANGDONG – HONG KONG  
GREATER BAY AREA HOLDINGS  
LIMITED**  
中國粵港灣區控股有限公司  
*(Incorporated in the British Virgin Islands  
with limited liability)*

**Hydo 毅德控股**  
**HYDOO INTERNATIONAL HOLDING LIMITED**  
毅德國際控股有限公司  
*(Incorporated in the Cayman Islands with limited liability)*  
(Stock code: 1396)

## **JOINT ANNOUNCEMENT**

**(I) CONDITIONAL AGREEMENT IN RELATION TO  
THE SALE AND PURCHASE OF SHARES IN  
HYDOO INTERNATIONAL HOLDING LIMITED;  
(II) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY  
ZHONGTAI INTERNATIONAL SECURITIES LIMITED  
FOR AND ON BEHALF OF CHINA GUANGDONG – HONG KONG  
GREATER BAY AREA HOLDINGS LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES  
OF HYDOO INTERNATIONAL HOLDING LIMITED (OTHER THAN  
THOSE ALREADY  
OWNED OR AGREED TO BE ACQUIRED BY CHINA GUANGDONG  
– HONG KONG GREATER BAY AREA HOLDINGS LIMITED  
AND PARTIES ACTING IN CONCERT WITH IT);  
AND  
(III) RESUMPTION OF TRADING**

**Financial adviser to the Offeror**



**Zhongtai International Capital Limited**

## **THE SALE AND PURCHASE AGREEMENT**

The Company was informed by the Vendor that on 28 July 2019, the Vendor, the Vendor Guarantors, the Offeror and the Purchaser Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Offeror has conditionally agreed to purchase the Sale Shares, being 2,070,000,000 Shares representing approximately 51.56% of the entire issued share capital of the Company as at the date of this joint announcement, at a total cash consideration of HK\$631,350,000 (equivalent to HK\$0.305 per Sale Share). Details of the Sale and Purchase Agreement are set out in the section headed “The Sale and Purchase Agreement” below in this joint announcement.

Subject to the conditions precedent under the Sale and Purchase Agreement being satisfied or (where applicable) waived in full, Completion is expected to take place on the Completion Date.

## **POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

As at the date of this joint announcement, there are 4,014,844,000 Shares in issue. The Company does not have any options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares. The Company also has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the Shares as at the date of this joint announcement.

As at the date of this joint announcement, none of the Offeror and parties acting in concert with it owns, controls or has direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities. Immediately after Completion, the Offeror and parties acting in concert with it will own an aggregate of 2,070,000,000 Shares, representing approximately 51.56% of the total issued share capital of the Company as at the date of this joint announcement.

Upon Completion, the Offeror will be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

## **Irrevocable Undertaking**

As at the date of this joint announcement, Eminent Ascend holds 300,000,000 Shares, representing approximately 7.47% of the entire issued share capital of the Company. Eminent Ascend has given Irrevocable Undertaking in favour of the Offeror, pursuant to which Eminent Ascend has undertaken that it will not, whether directly or indirectly, from the date of the Irrevocable Undertaking until the close of the Share Offer (both dates inclusive): (i) dispose of, charge, pledge, grant any option over or otherwise dispose of or create any encumbrances in respect of the Shares held by Eminent Ascend; (ii) acquire or agree to acquire any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; or (iii) tender or otherwise make any of the Shares available for acceptance under the Share Offer.

## **PRINCIPAL TERMS OF THE SHARE OFFER**

### **The Share Offer**

Subject to Completion, Zhongtai Securities will make the Share Offer, on behalf of the Offeror, in compliance with the Takeovers Code and on the terms to be set out in the Composite Document and on the following basis:

For each Offer Share . . . . . HK\$0.305 in cash

The Share Offer Price of HK\$0.305 per Offer Share under the Share Offer is the same as the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. The Share Offer will be extended to all Offer Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrance and together with all rights and benefits attached thereto, including 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 Composite Document.

The Share Offer will be unconditional in all respects when made.

### **Value of the Share Offer**

Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to (and including) the Completion Date and based on the Share Offer Price of HK\$0.305 per Offer Share and 4,014,844,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$1,224,527,420. Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to (and including) the close of the Share Offer, excluding the 2,070,000,000 Shares to be acquired by the Offeror under the Sale and Purchase Agreement, the value of the Share Offer would be HK\$593,177,420.

Zhongtai Capital, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the Consideration payable under the Sale and Purchase Agreement and the consideration payable upon full acceptance of the Share Offer after taking into account the Irrevocable Undertaking.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all non-executive Directors who have no direct or indirect interest in the Share Offer, namely Mr. Yuan Bing, Mr. Zhao Lihua, Mr. Lam Chi Yuen Nelson and Mr. Yue Zheng, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to advise and give a recommendation to the Offer Shareholders as to whether the terms of the Share Offer are fair and reasonable and as to the acceptance of the Share Offer.

An independent financial adviser will be appointed by the Company with approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Share Offer and as to its acceptance. Further announcement will be made by the Company in respect of appointment of the independent financial adviser as and when appropriate.

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

It is the intention of the Offeror and the Company to combine the offer documents and the Company's board circular in the Composite Document to be posted.

Subject to Completion, pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Share Offer; (ii) the recommendation from the Independent Board Committee; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Share Offer; and (iv) the relevant form(s) of acceptance, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may consent to. Further announcement(s) will be made when the Composite Document is despatched.

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 29 July 2019 pending the publication of this joint announcement. 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 14 August 2019.

## **WARNING**

**Shareholders and potential investors should note that the Share Offer is a possible mandatory unconditional cash offer and will only be made if Completion takes place. As Completion may or may not take place, the Share Offer may or may not proceed. Shareholders and potential investors should note that the Independent Board Committee has yet to consider and evaluate the Share Offer. This joint announcement is made in compliance with the Takeovers Code for the purpose of, amongst other things, informing Shareholders of the fact that the Company has been informed that the Share Offer will be made if Completion takes place. The Directors make no recommendation as to the fairness or reasonableness of the Share Offer or as to the acceptance of the Share Offer in this joint announcement.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their own professional advisers.**

## **INTRODUCTION**

The Company was informed by the Vendor that on 28 July 2019, the Vendor, the Vendor Guarantors, the Offeror and the Purchaser Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell and the Offeror has conditionally agreed to purchase the Sale Shares, being 2,070,000,000 Shares representing approximately 51.56% of the entire issued share capital of the Company as at the date of this joint announcement, at a total cash consideration of HK\$631,350,000 (equivalent to HK\$0.305 per Sale Share).

Subject to the conditions precedent under the Sale and Purchase Agreement being satisfied or (where applicable) waived in full, Completion is expected to take place on the Completion Date.

## **THE SALE AND PURCHASE AGREEMENT**

Date	28 July 2019
Parties	Vendor: Most Trend Holdings Limited
	Vendor Guarantors: Mr. Wong Choi Hing (王再興), Mr. Wang Jianli (王健利), Mr. Wang Dekai (王德開), Mr. Huang Dehong (黃德宏), Mr. Wong Sheung Tak (王雙德) and Mr. Wang Quanguang (王全光)
	Purchaser: China Guangdong – Hong Kong Greater Bay Area Holdings Limited

Purchaser Guarantors: Mr. Zeng Yunshu (曾雲樞) and Mr. Cai Hongwen (蔡鴻文)

The Offeror, its ultimate beneficial owners and parties acting in concert with any of them are third parties independent of and not connected with the Company and its connected persons.

### **Sale Shares**

The Sale Shares comprise a total of 2,070,000,000 Shares, representing approximately 51.56% of the entire issued share capital of the Company as at the date of this joint announcement. Pursuant to the terms of the Sale and Purchase Agreement, the Sale Shares will be acquired by the Offeror free from all Encumbrances and together with all rights and benefits attaching and accrued to them as at the Completion Date.

### **Consideration for the Sale Shares**

The Consideration for the Sale Shares under the Sale and Purchase Agreement shall be an aggregate sum of HK\$631,350,000, representing HK\$0.305 per Sale Share, which was agreed between the Vendor and the Offeror after arm's length negotiations, taking into account (i) the 52-week closing prices ranging from HK\$0.295 to HK\$0.610; (ii) the operating results of the Group for the years ended 31 December 2016, 2017 and 2018; and (iii) the daily trading volume of the Shares ranging from nil to 18,876,000.

The Offeror shall pay an earnest money (the “**Earnest Money**”) in cash of HK\$63,135,000, which represents 10% of the Consideration, to the Vendor within one Business Day from the date of the Sale and Purchase Agreement. The Earnest Money (together with interest accrued) shall be refunded to the Offeror within seven Business Days if the Sale and Purchase Agreement is terminated in accordance with its terms. The Earnest Money has been paid pursuant to the Sale and Purchase Agreement and the Vendor has confirmed receipt of the Earnest Money in cash in full.

At Completion, the Offeror shall settle the Consideration in Hong Kong dollars by cash in the following manner:

- (a) the Earnest Money shall be applied towards payment of an equivalent amount of the Consideration; and
- (b) the balance of the Consideration, being HK\$568,215,000, shall be paid by the Offeror to the Vendor.

The Earnest Money and the balance of the Consideration to be paid by the Offeror will be financed by its own resources as to HK\$306,110,636.09 and the proceeds from the issue of the Convertible Bonds as to HK\$325,239,363.91.

## Conditions precedent to Completion

Completion is subject to the following conditions being fulfilled or (where applicable) waived in full:

- (1) all necessary consents, approvals, waivers and authorisations by the relevant government authorities, regulatory authorities and any third parties having been obtained by the Vendor and the Vendor Guarantors in connection with the execution and performance by them of the Sale and Purchase Agreement;
- (2) all necessary consents, approvals, waivers and authorisations by the relevant government authorities, regulatory authorities and any third parties having been obtained by the Offeror and the Purchaser Guarantors in connection with the execution and performance by them of the Sale and Purchase Agreement;
- (3) the Shares remaining listed and traded on the Stock Exchange at all times from the date of the Sale and Purchase Agreement up to (and including) the Completion Date, except for (i) the suspension of trading or trading halt of the Shares in connection with the clearance by the SFC and the Stock Exchange of this joint announcement, and (ii) any temporary suspension not exceeding three (3) consecutive trading days, and at any time up to (and including) Completion;
- (4) the Company having published its interim results for the six months ended 30 June 2019 on the Stock Exchange's website in accordance with Chapter 13 of the Listing Rules;
- (5) the SFC not having indicated to the Offeror before Completion that the Share Offer Price shall be higher than HK\$0.305 per Share;
- (6) the Stock Exchange not having notified or indicated to or directed the Company that the current listing of the Shares on the Stock Exchange may or will be halted, suspended, withdrawn or cancelled, and the SFC not having notified or indicated to the Company that it may object to such continued listing;
- (7) the Stock Exchange and the SFC having no further comment on this joint announcement to be released in connection with the transactions contemplated under the Sale and Purchase Agreement and this joint announcement having been published on the Stock Exchange's website;
- (8) no material adverse change (or effect) in relation to the financial conditions, business, prospects or operational results of the Group as a whole having occurred;
- (9) the Vendor and the Vendor Guarantors not having materially breached any terms of the Sale and Purchase Agreement (including but not limited to undertakings);
- (10) the Offeror and the Purchaser Guarantors not having materially breached any terms of the Sale and Purchase Agreement;

- (11) the Vendor and the Vendor Guarantors having made such proposals to the Offeror (which shall be to the Offeror's reasonable satisfaction) as to resolve the issues which may arise from any mandatory prepayment obligations by the relevant members of the Group under all loan or facility agreements or similar arrangements (including but not limited to senior notes issued by the Company) subsisting as at the date of the Sale and Purchase Agreement that may be triggered by the transactions contemplated under the Sale and Purchase Agreement (including but not limited to the transfer of the Sale Shares);
- (12) the warranties provided by the Vendor and the Vendor Guarantors under the Sale and Purchase Agreement being true and accurate and not misleading in all respects; and
- (13) the warranties provided by the Offeror and the Purchaser Guarantors under the Sale and Purchase Agreement being true and accurate and not misleading in all respects.

The Directors understand from the Vendor that as far as the Vendor is aware, no such consents, approvals, waivers and authorisations as referred to in the condition set out in paragraph (1) above is required.

As far as the Offeror is aware, no such consents, approvals, waivers and authorisations as referred to in the condition set out in paragraph (2) above is required.

With respect to the condition set out in paragraph (11) above, the Company has onshore loans and has issued senior notes. The transaction contemplated under the Sale and Purchase Agreement will trigger the change of control clause in the respective loan agreement and senior notes documents. The Vendor and the Company shall approach the borrower, the bondholders and the trustee of the notes to discuss a proposal, which shall be to the reasonable satisfaction of the Offeror.

Save for the conditions set out in paragraphs (1), (2), (10) and (13) above, the Offeror may at any time waive any of the conditions by notice in writing to the Vendor. The Vendor may at any time waive the conditions set out in paragraphs (10) and (13) above by notice in writing to the Offeror. Save as aforesaid, no party to the Sale and Purchase Agreement may waive any of the conditions.

If the conditions are not satisfied or (where applicable) waived in full on or before 16 September 2019 (or such other date as may be agreed by the Vendor and the Offeror in writing), the Vendor shall refund the Earnest Money (together with interest accrued) to the Offeror within seven (7) Business Days of the date of termination of the Sale and Purchase Agreement and the Sale and Purchase Agreement shall automatically terminate without liability to any parties to the Sale and Purchase Agreement, save (a) that the surviving provisions specified in the Sale and Purchase Agreement shall continue in full force; and (b) for any antecedent breaches. As at the date of this joint announcement, save for the condition set out in paragraph (7) above, none of the conditions above has been fulfilled or waived.

## **Guarantees**

Pursuant to the Sale and Purchase Agreement:

- (a) the Vendor Guarantors have joined as parties to the Sale and Purchase Agreement to give the representations, warranties and undertakings jointly with the Vendor under the Sale and Purchase Agreement; and
- (b) the Purchaser Guarantors have irrevocably and unconditionally guaranteed to the Vendor the due and punctual performance and observance by the Offeror of all its obligations, commitments, undertakings, warranties, indemnities and covenants under or pursuant to the Sale and Purchase Agreement.

## **Completion**

Subject to the conditions precedent under the Sale and Purchase Agreement as set out in the section headed “Conditions precedent to Completion” in this joint announcement being satisfied or (where applicable) waived in full, Completion is expected to take place on the Completion Date.

## **POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

As at the date of this joint announcement, there are 4,014,844,000 Shares in issue.

As at the date of this joint announcement, the Company does not have any options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares. The Company also has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than the Shares as at the date of this joint announcement.

As at the date of this joint announcement, none of the Offeror and parties acting in concert with it owns, controls or has direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately after Completion, the Offeror and parties acting in concert with it will own an aggregate of 2,070,000,000 Shares, representing approximately 51.56% of the entire issued share capital of the Company as at the date of this joint announcement.

Upon Completion, the Offeror will be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

## **Irrevocable Undertaking**

As at the date of this joint announcement, Eminent Ascend holds 300,000,000 Shares, representing approximately 7.47% of the entire issued share capital of the Company. Eminent Ascend has given Irrevocable Undertaking in favour of the Offeror, pursuant to which Eminent Ascend has undertaken that it will not, whether directly or indirectly, from the date of the Irrevocable Undertaking until the close of the Share Offer (both dates inclusive): (i) dispose of, charge, pledge, grant any option over or otherwise dispose of or create any encumbrances in respect of the Shares held by Eminent Ascend; (ii) acquire or agree to acquire any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; or (iii) tender or otherwise make any of the Shares available for acceptance under the Share Offer.

## **PRINCIPAL TERMS OF THE SHARE OFFER**

### **The Share Offer**

Subject to Completion, Zhongtai Securities will make the Share Offer, on behalf of the Offeror, in compliance with the Takeovers Code and on the terms to be set out in the Composite Document on the following basis:

For each Offer Share . . . . . HK\$0.305 in cash

The Share Offer Price of HK\$0.305 per Offer Share under the Share Offer is the same as the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. The Share Offer will be extended to all Offer Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrance and together with all rights and benefits attached thereto, including all rights to any dividend or other distribution, the record date of which falls on or after the date on which the Share Offer is made, being the date of the Composite Document.

The Share Offer will be unconditional in all respects when made.

### **Comparison of value**

The Share Offer Price of HK\$0.305 represents:

- a. a discount of approximately 29.9% to the closing price of HK\$0.435 per Share quoted on the Stock Exchange on 26 July 2019, being the Last Trading Day;
- b. a discount of approximately 23.2% to the average closing price of approximately HK\$0.397 per Share quoted on the Stock Exchange for the 5 consecutive trading days immediately prior to and including the Last Trading Day;
- c. a discount of approximately 23.0% to the average closing price of approximately HK\$0.396 per Share quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;

- d. a discount of approximately 16.2% to the average closing price of approximately HK\$0.364 per Share quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- e. a discount of approximately 15.3% to the average closing price of approximately HK\$0.360 per Share quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Day; and
- f. a discount of approximately 79.4% to the audited consolidated net assets attributable to owners of the Company per Share of approximately HK\$1.481 as at 31 December 2018, calculated based on the Group's audited consolidated net assets attributable to owners of the Company of approximately HK\$5,946,597,000 as at 31 December 2018 and 4,014,844,000 Shares in issue as at the date of this joint announcement. (Assume RMB1 = HK\$1.1351)

### **Highest and lowest Share prices**

During the six-month period from 28 January 2019 up to and including the Last Trading Day:

- a. the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.480 per Share on 28 January 2019; and
- b. the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.295 per Share on 14 June 2019 and 18 June 2019.

### **Payment**

Payment in cash in respect of acceptances of the Share Offer 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 Share Offer 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.

### **Value of the Share Offer**

Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to (and including) the Completion Date and based on the Share Offer Price of HK\$0.305 per Offer Share and 4,014,844,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$1,224,527,420.

Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to (and including) the close of the Share Offer, excluding 2,070,000,000 Shares to be acquired by the Offeror under the Sale and Purchase Agreement, the value of the Share Offer would be HK\$593,177,420.

## Financial resources available to the Offeror

The Offeror intends to finance and satisfy the consideration payable under the Share Offer entirely by the proceeds from the issue of the Convertible Bonds (taking into account the Irrevocable Undertaking) in the sum of HK\$501,677,420. Zhongtai Capital, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the Consideration payable under the Sale and Purchase Agreement and the consideration payable upon full acceptance of the Share Offer after taking into account the Irrevocable Undertaking.

The Convertible Bonds are constituted by issuance deeds dated 25 July 2019, the major terms of which are set out below:

Issuer:	the Offeror
Bondholder (“ <b>Bondholder</b> ”):	Asian Income Fund, a sub-fund of an umbrella fund (Diversified Strategies QIAIF ICAV) registered in Ireland under the ICAV Act and managed by MontLake Management Limited, a fund manager regulated by the Central Bank of Ireland, with China Post Global (UK) Limited (the “ <b>Investment Manager</b> ”), a corporation regulated by the Financial Conduct Authority of the United Kingdom, as its investment manager with delegated discretionary investment management functions in respect of the assets of the umbrella fund (including the Bondholder as its sub-fund), whose principal function is the provision of investment advice and investment management services and who has also been appointed to provide marketing and distribution services in respect of the umbrella fund (including the Bondholder as its sub-fund) in certain jurisdictions
Aggregate principal amount:	US\$105,980,000
Completion Date/Issue Date:	25 July 2019
Term:	three years commencing from 25 July 2019, extendable by the Offeror for a further three years thereafter
Final Maturity Date:	25 July 2022 (subject to the extension of the term mentioned above)
Interest:	from 2.20% to 3.10% per annum in years 1 and 2, and from 0.50% to 1.20% per annum in year 3, depending on the principal amount of the Convertible Bonds concerned, payable annually

Conversion: in respect of Convertible Bonds constituted by each issuance deed, if the net asset value of a Non-voting Share (as defined below) on the second business day immediately preceding the Final Maturity Date (“**Final NAV**”) is less than the monetary threshold prescribed in the issuance deed and above the net asset value of a Non-voting Share (as defined below) on the Issue Date (“**Initial NAV**”), then the Bondholder may elect to convert all but not some only of the relevant Convertible Bonds on the Final Maturity Date into shares (“**Non-voting Shares**”) in the non-voting share class of the Offeror or, in the sole discretion of the Bondholder, to receive cash settlement calculated in accordance with the terms of the relevant Convertible Bonds. If the Final NAV is less than the aforesaid prescribed monetary threshold and below or equal to the Initial NAV, then the Offeror may elect to convert all but not some only of the relevant Convertible Bonds on the Final Maturity Date into Non-voting Shares or, in the sole discretion of the Bondholder, to receive cash settlement calculated in accordance with the terms of the relevant issuance deed

Early redemption: in respect of Convertible Bonds constituted by each issuance deed, the Offeror may at any time prior to seven days before the Final Maturity Date redeem all but not some of the relevant Convertible Bonds at fair market value to be determined in accordance with the terms of the relevant issuance deeds

the Bondholder does not have the right to request early redemption of the Convertible Bonds under the issuance deeds

Transferability: the Convertible Bonds are not transferable

The Offeror has considered that as it is a recently incorporated company without any business activities and did not have any assets before the issue of the Convertible Bonds save for cash, it was not practicable for it to obtain banking facilities. Further, the Offeror, being a private un-listed company, is and was unable to raise funds from the public. In view of the fact that the issue of the Convertible Bonds was then the most realistic way available to it, the Offeror opted for a structure involving the Convertible Bonds to raise fund for the acquisition of the Sale Shares and the Share Offer.

The Offeror confirms that it has arranged three companies (the “**Onshore Companies**”) established in the PRC, each being ultimately controlled by Mr. HW Cai, Mr. Cheung and a related party of Mr. S Zeng respectively, to invest a total of RMB742,480,000 (equivalent to approximately HK\$839,002,400 based on the exchange rate of RMB1 to HK\$1.13) as to RMB431,880,000 (equivalent to approximately HK\$488,024,400 based on the exchange rate of RMB1 to HK\$1.13), RMB47,000,000 (equivalent to approximately HK\$53,110,000 based on the exchange rate of RMB1 to HK\$1.13) and RMB263,600,000 (equivalent to approximately HK\$297,868,000 based on the exchange rate of RMB1 to HK\$1.13) respectively in cash in the Bondholder via three onshore asset management plans (the “**AM Plans**”), of which 華泰證券（上海）資產管理有限公司 (Huatai Securities (Shanghai) Asset Management Co., Ltd.\*) (the “**Onshore Manager**”), a licensed asset management company in the PRC, is the asset manager. Due to foreign exchange restrictions in the PRC for PRC companies and nationals to invest directly in offshore funds, the AM Plans act as a part of a cross-border channel setup through which sufficient funding was made available from the PRC to the Offeror in Hong Kong appropriately for the acquisition of the Sale Shares and the Share Offer. The Bondholder acts as an offshore investment vehicle in the above setup. The Bondholder is held as to approximately 58.2%, 6.3% and 35.5% respectively by the three AM Plans, which are managed by the Onshore Manager, owned by the Onshore Companies ultimately controlled by Mr. HW Cai, Mr. Cheung and a related party of Mr. S. Zeng.

The involvement of the Bondholder and the Investment Manager is for the sole purpose of facilitating the funding to the Offeror through the above setup.

Given that the Investment Manager (in the capacity as the investment manager of the Bondholder), China Post & Capital Global Asset Management Limited (being the immediate parent company of the Investment Manager), the Bondholder, the Onshore Manager (in the capacity as the asset manager of the AM Plans) and Huatai Securities Co., Ltd. (being the immediate parent company of the Onshore Manager, the H shares of which are listed on the Main Board and the A shares of which are listed on the Shanghai Stock Exchange) have facilitated in the funding to the Offeror as mentioned above, they are considered to be persons acting in concert with the Offeror.

### **Effect of accepting the Share Offer**

Acceptance of the Share Offer by any Offer Shareholder will be deemed to constitute a warranty by such person that all Offer Shares sold by such person under the Share Offer are free from all Encumbrance and are sold together with all rights attaching to them, including 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 Composite Document.

Acceptance of the Share Offer would be irrevocable and would not be capable of being withdrawn, except as permitted under the Takeovers Code.

## **Stamp Duty**

Sellers' Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amount payable to the Offer Shareholders who accept the Share Offer. The Offeror will arrange for payment of sellers' ad valorem stamp duty on behalf of the Offer Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfers of the relevant Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

## **Taxation Advice**

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

## **Overseas Offer Shareholders**

The Offeror intends to make the Share Offer available to all Offer Shareholders, including those who are resident outside Hong Kong.

However, the Share Offer is in respect of securities of a company incorporated in the Cayman Islands and is subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions. Overseas Offer Shareholders who wish to participate in the Share Offer but with a registered address outside Hong Kong may be subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Share Offer.

Overseas Offer Shareholders and beneficial owners of the Offer Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Share Offer. It is the responsibility of Overseas Offer Shareholders and overseas beneficial owners of the Offer Shares who wish to accept the Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Offer (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 in respect of such jurisdictions).

Any acceptance by any Overseas Offer Shareholders and overseas beneficial owners of the Offer Shares will be deemed to constitute a representation and warranty from such Overseas Offer Shareholders or overseas beneficial owners of the Offer Shares, as applicable, to the Offeror that the local laws and requirements have been complied with. Overseas Offer Shareholders and overseas beneficial owners of the Offer Shares should consult their own professional advisers if in doubt.

## OFFEROR'S INTERESTS IN SECURITIES OF THE COMPANY

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

- a. save for the 2,070,000,000 Shares to be acquired by the Offeror pursuant to the Sale and Purchase Agreement, none of the Offeror and any person acting in concert with it (including but not limited to all its direct and indirect shareholders, (where such shareholders are corporations) directors of such shareholders, the Bondholder, the Investment Manager and the Onshore Manager and their respective immediate parent companies) own or have control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- b. save for the Offeror's acquisition of the Sale Shares from the Vendor at HK\$0.305 per Share pursuant to the Sale and Purchase Agreement, none of the Offeror, nor any person acting in concert with it (including but not limited to all its direct and indirect shareholders, (where such shareholders are corporations) directors of such shareholder, the Bondholder, the Investment Manager and the Onshore Manager and their respective immediate parent companies) has dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior and up to the date of this joint announcement;
- c. save for the Sale and Purchase Agreement, the Irrevocable Undertaking and the Convertible Bonds, 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 Share Offer;
- d. there is no agreement or arrangement to which the Offeror, or any person acting in concert with it (including but not limited to all its direct and indirect shareholders, (where such shareholders are corporations) directors of such shareholders, the Bondholder, the Investment Manager and the Onshore Manager and their respective immediate parent companies), is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Share Offer;
- e. none of the Offeror and any person acting in concert with it (including but not limited to all its direct and indirect shareholders, (where such shareholders are corporations) directors of such shareholders, the Bondholder, the Investment Manager and the Onshore Manager and their respective immediate parent companies) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code);
- f. other than the Irrevocable Undertaking, none of the Offeror and any person acting in concert with it (including but not limited to all its direct and indirect shareholders, (where such shareholders are corporations) directors of such shareholders, the Bondholder, the Investment Manager and the Onshore Manager and their respective immediate parent companies) has received any irrevocable commitment to accept or reject the Share Offer;
- g. there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror or any person acting in concert with it (including but not limited to all its direct and indirect shareholders, (where such shareholders are corporations) directors of such shareholders, the Bondholder, the Investment Manager and the Onshore Manager and their respective immediate parent companies);

- h. other than the Consideration, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or any parties acting in concert with it (including but not limited to all its direct and indirect shareholders, (where such shareholders are corporations) directors of such shareholders, the Bondholder, the Investment Manager and the Onshore Manager and their respective immediate parent companies) to the Vendor or any party acting in concert with it in connection with the Sale and Purchase Agreement;
- i. there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeover Code) between the Offeror or any party acting in concert with it (including but not limited to all its direct and indirect shareholders, (where such shareholders are corporations) directors of such shareholders, the Bondholder, the Investment Manager and the Onshore Manager and their respective immediate parent companies), and the Vendor and any party acting in concert with it; and
- j. the Offeror is not aware of any understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeover Code) between (i) any shareholder of the Company; and (ii)(a) the Offeror and any parties acting in concert with it (including but not limited to all its direct and indirect shareholders, (where such shareholders are corporations) directors of such shareholders, the Bondholder, the Investment Manager and the Onshore Manager and their respective immediate parent companies) or (ii)(b) the Company, its subsidiaries or associated companies (as defined in the Takeovers Code).

## INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued shares have been listed on the Main Board (stock code:1396). The principal activities of the Group are developing and operating large-scale trade centers in the PRC.

The following table is a summary of certain audited consolidated financial information of the Group for the three financial years ended 31 December 2018 as extracted from the annual reports of the Company for the years ended 31 December 2017 and 31 December 2018:

	<b>For the year ended/As at</b>		
	<b>31 December</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2,842,202	1,792,421	2,335,777
Profit before tax	416,620	713,981	712,463
Profit for the year	109,887	255,255	355,148
Profit for the year attributable to owners of the Company	106,995	245,573	350,280
Equity attributable to owners of the Company	5,238,831	5,191,590	4,884,077

## SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately after Completion but before the Share Offer is made (assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to (and including) the Completion Date):

	As at the date of this joint announcement		Immediately after Completion but before the Share Offer is made	
	Number of Shares	Approximate % (Note 1)	Number of Shares	Approximate % (Note 1)
The Vendor (Note 2)	2,070,000,000	51.56	–	–
Eminent Ascend (Note 3)	300,000,000	7.47	300,000,000	7.47
The Offeror and parties acting in concert with it	–	–	2,070,000,000	51.56
Top Amuse Holdings Limited (Note 4)	587,134,000	14.62	587,134,000	14.62
Other public Shareholders	1,057,710,000	26.35	1,057,710,000	26.35
	<b>4,014,844,000</b>	<b>100.00</b>	<b>4,014,844,000</b>	<b>100.00</b>

### Notes:

1. Certain percentage figures included in this table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
2. The Vendor is owned by Mr. Wong Choi Hing (王再興) as to approximately 52.70%, Mr. Wang Dewen (王德文) as to approximately 12.98%, Mr. Wang Jianli (王健利) as to approximately 9.48%, Mr. Wang Dekai (王德開) as to approximately 7.42%, Mr. Huang Dehong (黃德宏) as to approximately 6.10%, Mr. Wang Desheng (王德盛) as to approximately 6.10%, Mr. Wang Quanguang (王全光) as to approximately 3.48% and Mr. Wong Sheung Tak (王雙德) as to approximately 1.74% as at the date of this joint announcement.
3. Eminent Ascend is wholly owned by Mr. Wong Sheung Tak (王雙德) as at the date this joint announcement.
4. Top Amuse Holdings Limited (“**Top Amuse**”) is wholly-owned by Hony Capital Fund 2008, L.P., hence Hony Capital Fund 2008, L.P. is deemed to be interested in the 587,134,000 shares held by Top Amuse. The general partner of Hony Capital Fund 2008, L.P. is Hony Capital Fund 2008 GP, L.P., hence Hony Capital Fund 2008 GP, L.P. is deemed to be interested in the 587,134,000 shares held by Top Amuse. The general partner of Hony Capital Fund 2008 GP, L.P. is Hony Capital Fund 2008 GP Limited, hence Hony Capital Fund 2008 GP Limited is deemed to be interested in the 587,134,000 shares held by Top Amuse. Hony Capital Fund 2008 GP Limited is wholly-owned by Hony Group Management Limited, hence Hony Group Management Limited is deemed to be interested in the 587,134,000 shares held by Top Amuse. Hony Group Management Limited is also the general partner of Hony Capital 2008 Partners, L. P. Hony Capital 2008 Partners, L.P. controls 99.44% of the interest of Hony Capital 2008 GP. L.P., hence Hony Capital 2008 Partners, L.P. is deemed to be interested in the 587,134,000 shares held by Top Amuse. Hony Managing Partners Limited controls 80% of the shares of Hony Group Management Limited,

hence Hony Managing Partners Limited is deemed to be interested in the 587,134,000 shares held by Top Amuse. Hony Managing Partners Limited is wholly-owned by Exponential Fortune Group Limited, hence Exponential Fortune Group Limited is deemed to be interested in the 587,134,000 shares held by Top Amuse. Mr. Zhao John Huan controls 49% of the shares of Exponential Fortune Group Limited, hence Mr. Zhao John Huan is deemed to be interested in the 587,134,000 shares held by Top Amuse.

## INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability and is owned by Ruixinhaide Holdings Limited (瑞信海德控股有限公司) (“**RXHD Holdings**”), Hakka Park International Group Co Ltd. (客天下國際集團有限公司) (“**Hakka Park**”) and Bowie Resources Limited (寶裕資源有限公司) (“**Bowie Resources**”) as to 40%, 40% and 20%, respectively. The directors of the Offeror are Mr. Zeng Yunshu (曾雲樞) (“**Mr. YS Zeng**”), Mr. Cai Hongwen (蔡鴻文) (“**Mr. HW Cai**”) and Mr. Cheung Yi Wan (張宜環) (“**Mr. Cheung**”). As at the date of this joint announcement, save for the entering into of the Sale and Purchase Agreement, the Offeror has not engaged in any other business activities.

RXHD Holdings is owned as to 70% by Junsheng Holdings Limited (君勝控股有限公司) (“**Junsheng Holdings**”), 20% by Mr. YS Zeng and 10% by Ms. Wei Haiyan (魏海燕) (“**Ms. Wei**”). Junsheng Holdings is a company incorporated in Hong Kong, all the issued shares of which are owned by Mr. Zeng Sheng (曾勝) (“**Mr. S Zeng**”). The directors of RXHD Holdings are Mr. S Zeng, Mr. YS Zeng and Ms. Wei. Mr. YS Zeng is the father of Mr. S Zeng. From January 2007 until June 2012, Mr. YS Zeng was an executive director of Hong Long Holdings Limited (now known as Suncity Group Holdings Limited) (stock code: 1383) (“**Hong Long**”), the shares of which are listed on the Stock Exchange. Mr. S Zeng was the ultimate controlling shareholder of Hong Long since its listing on the Stock Exchange until 5 October 2010 and was an executive director of Hong Long since its listing on the Stock Exchange until 14 January 2011. Mr. YS Zeng has extensive experience in the development and management of properties and Mr. S Zeng has extensive experience in property investment and commercial management.

Hakka Park is owned as to 60% by Mr. HW Cai, 20% by Mr. Cai Xuefeng (蔡雪峰) (“**Mr. XF Cai**”) and 20% by Mr. Cai Xueshan (蔡雪山) (“**Mr. XS Cai**”). The sole director of Hakka Park is Mr. HW Cai. Mr. HW Cai is the father of Mr. XF Cai and Mr. XS Cai. Mr. HW Cai has experience in the development and management of properties (including tourism resort) in the PRC.

The entire issued share capital of Bowie Resources is owned by Ms. Luo Yanling (羅雁玲) (“**Ms Luo**”), the spouse of Mr. Cheung. The sole director of Bowie Resources is Mr. Cheung. Both Mr. Cheung and Ms. Luo have experience in property construction and property leasing in the PRC.

As disclosed above, each of Mr. YS Zeng, Mr. HW Cai and Mr. Cheung has experience in the property development industry in the PRC in which the Group is principally engaged.

As at the date of this joint announcement, the Offeror, its ultimate beneficial owners and parties acting in concert with any of them are third parties independent of and not connected with the Company and its connected person.

## **INTENTION OF THE OFFEROR REGARDING THE GROUP**

It is the intention of the Offeror to continue with the Group's existing principal business. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's business and operations to increase the value of the Group.

As at the date of this joint announcement, the Offeror has no intention to (i) discontinue the employment of any employees of the Group (save for the proposed changes to the composition of the Board to be determined); or (ii) redeploy the fixed assets of the Group other than those in its ordinary and usual course of business.

The Offeror intends to continue to look for business opportunities to strengthen the Group's existing business. The Offeror believes that there will be continued business development in the Group under the management of the new Board.

As at the date of this joint announcement, the Offeror and/or the Company has not entered into any agreement, arrangement, understanding or negotiation to downsize or dispose of the Company's existing business or material operating assets.

The Offeror intends to nominate new Director(s) to the Board with effect from a date which is no earlier than such date as permitted under the Takeovers Code or such later date as the Offeror considers to be appropriate. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the Listing Rules and further announcement(s) will be made as and when appropriate.

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

The Stock Exchange has stated that if, at the close of the Share Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the 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, it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Share Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the Closing Date. The Offeror, the Board and the new Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, such as disposal of Shares held by the Offeror or parties acting in concert with it and/or issue of additional Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all non-executive Directors who have no direct or indirect interest in the Share Offer, namely Mr. Yuan Bing, Mr. Zhao Lihua, Mr. Lam Chi Yuen Nelson and Mr. Yue Zheng, has been established in accordance with Rules 2.1 and Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Offer Shareholders as to whether the terms of the Share Offer are fair and reasonable and as to the acceptance of the Share Offer.

An independent financial adviser will be appointed by the Company with approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Share Offer and as to its acceptance. Further announcement will be made by the Company in respect of appointment of the independent financial adviser as and when appropriate.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer documents and the Company's board circular in the Composite Document to be posted.

Subject to Completion, pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Share Offer; (ii) the recommendation from the Independent Board Committee; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Share Offer; and (iv) the relevant form(s) of acceptance, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may consent to. Further announcement(s) will be made when the Composite Document is despatched.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 29 July 2019 pending the publication of this joint announcement. 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 14 August 2019.

## **DEALING DISCLOSURE**

All associates (as defined under the Takeovers Code and including persons holding 5% or more of any class of relevant securities) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

### ***“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 days 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.”*

### **WARNING**

**Shareholders and potential investors should note that the Share Offer is a possible mandatory unconditional cash offer and will only be made if Completion takes place. As Completion may or may not take place, the Share Offer may or may not proceed. Shareholders and potential investors should note that the Independent Board Committee has yet to consider and evaluate the Share Offer. This joint announcement is made in compliance with the Takeovers Code for the purpose of, amongst other things, informing Shareholders of the fact that the Company has been informed that the Share Offer will be made if Completion takes place. The Directors make no recommendation as to the fairness or reasonableness of the Share Offer or as to the acceptance of the Share Offer in this joint announcement.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. If Shareholders and potential investors are in any doubt about their position, they should consult their own professional advisers.**

### **DEFINITIONS**

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

“acting in concert” has the meaning ascribed to it 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 (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the Share Offer, which is 21 calendar days after the posting of the Composite Document, or any subsequent closing date of the Share Offer in accordance with the Takeovers Code
“Company”	Hydoo International Holding Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board (stock code: 1396)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the fifth Business Day after all conditions to Completion as set out in the Sale and Purchase Agreement have been fulfilled or (where applicable) waived in full (or such other date as may be agreed between the Vendor and the Offeror)
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Share Offer in compliance with the Takeovers Code containing, among other things, details of the Share Offer (accompanied by the form of acceptance and transfer) and the respective letters of advice from the Independent Board Committee and the independent financial adviser
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

“Consideration”	the consideration in the sum of HK\$631,350,000 payable by the Offeror to the Vendor for the acquisition of the Sale Shares
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Convertible Bonds”	the convertible bonds issued by the Offeror, constituted by issuance deeds dated 25 July 2019 between the Offeror, the bondholder and Zhongtai Securities as placement agent, particulars of which are set out in the section headed “Possible mandatory unconditional cash offer – Financial resources available to the Offeror” in this joint announcement
“Director(s)”	director(s) of the Company
“Eminent Ascend”	Eminent Ascend Limited, a company incorporated in the British Virgin Islands and the entire issued share capital of which is owned by Mr. Wong Sheung Tak (王雙德)
“Encumbrance”	any claim, option, charge (fixed or floating), mortgage, lien, pledge, equity, adverse interest, encumbrance, right to acquire, right of pre-emption, right of first refusal, title retention or any other third party right, or other security interest or any agreement or arrangement having a similar effect or any agreement to create any of the foregoing
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Group”	the Company and its subsidiaries
“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, comprising those Directors as identified in the section headed “Independent Board Committee and independent financial adviser” of this joint announcement and formed for the purpose of advising the Offer Shareholders in respect of the Share Offer
“Irrevocable Undertaking”	the irrevocable undertaking given by Eminent Ascend in favour of the Offeror that it will not, among others, tender or otherwise make any of the Shares held by them available for acceptance of the Share Offer

“Last Trading Day”	26 July 2019, being the last trading day of the Shares before the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange
“Offeror”	China Guangdong – Hong Kong Greater Bay Area Holdings Limited, a company incorporated in the British Virgin Islands, being the purchaser under the Sale and Purchase Agreement and the offeror under the Share Offer
“Offer Share(s)”	any of the Shares that are subject to the Share Offer
“Offer Shareholder(s)”	Shareholder(s), other than the Offeror and parties acting in concert with it
“Overseas Offer Shareholders”	Offer 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, which for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser Guarantors”	Mr. Zeng Yunshu (曾雲樞) and Mr. Cai Hongwen (蔡鴻文)
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 28 July 2019 entered into among the Vendor, the Vendor Guarantors, the Offeror and the Purchaser Guarantors in relation to the sale and purchase of the Sale Shares
“Sale Shares”	2,070,000,000 Shares to be sold by the Vendor to the Offeror pursuant to the terms of the Sale and Purchase Agreement, and a “Sale Share” means any of them
“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)”	ordinary share(s) of par value HK\$0.01 each in the share capital of the Company
“Share Offer”	the possible mandatory unconditional cash offer to be made by Zhongtai Securities, on behalf of the Offeror, to acquire all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with it in accordance with the Takeovers Code
“Share Offer Price”	the price at which the Share Offer would be made, being HK\$0.305 per Offer Share
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Vendor”	Most Trend Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and beneficially owned by the Vendor Guarantors, Mr. Wang Dewen (王德文) and Mr. Wang Desheng (王德盛) in such shareholding percentages as shown in note 2 to the shareholding table set out in the section headed “Shareholding structure of the Company” in this joint announcement
“Vendor Guarantors”	Mr. Wong Choi Hing (王再興), Mr. Wang Jianli (王健利), Mr. Wang Dekai (王德開), Mr. Huang Dehong (黃德宏), Mr. Wong Sheung Tak (王雙德) and Mr. Wang Quanguang (王全光)
“Zhongtai Capital”	Zhongtai International Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial advisor to the Offeror in respect of the Share Offer
“Zhongtai Securities”	Zhongtai International Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, being the agent making the Share Offer on behalf of the Offeror

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi(s), the lawful currency of the PRC
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent

By order of the board of directors of  
**China Guangdong – Hong Kong Greater  
 Bay Area Holdings Limited**  
**Cai Hongwen**  
*Director*

By order of the Board  
**Hydoo International Holding Limited**  
**Wang Jianli**  
*Chairman and Executive Director*

Hong Kong, 13 August 2019

\* *for identification purposes only*

*As at the date of this joint announcement, the executive Directors are Mr. Wang Jianli, Mr. Wang Dewen and Mr. Huang Dehong; the non-executive Director is Mr. Yuan Bing; and the independent non-executive Directors are Mr. Zhao Lihua, Mr. Lam Chi Yuen Nelson and Mr. Yue Zheng.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Offeror, parties acting in concert with it and the Purchaser Guarantors), and confirm, having made all reasonable inquiries, that to the best of each 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 statements in this joint announcement misleading.*

*As at the date of this joint announcement, the directors of the Offeror are Mr. Zeng Yunshu, Mr. Cai Hongwen and Mr. Cheung Yi Wan.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Vendor, parties acting in concert with it, the Vendor Guarantors and the Group), 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 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 statements in this joint announcement misleading.*