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**POWER PORT HOLDINGS LIMITED**

*(Incorporated in the BVI  
with limited liability)*



**TELEFIELD INTERNATIONAL (HOLDINGS) LIMITED**

中慧國際控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1143)

**JOINT ANNOUNCEMENT**

**(1) MAJOR AND CONNECTED TRANSACTION  
AND SPECIAL DEAL IN RELATION TO  
THE SALE AND PURCHASE OF  
NOBLE TREASURE;**

**(2) CONTINUING CONNECTED TRANSACTIONS AND  
SPECIAL DEAL IN RELATION TO MASTER SALE AGREEMENT;**

**(3) AGREEMENT IN RELATION TO  
THE SALE AND PURCHASE OF SHARES IN  
TELEFIELD INTERNATIONAL (HOLDINGS) LIMITED;**

**(4) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY**



**KINGSTON SECURITIES LTD.**

**ON BEHALF OF  
POWER PORT HOLDINGS LIMITED  
FOR ALL THE ISSUED SHARES IN  
TELEFIELD INTERNATIONAL (HOLDINGS) LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED  
BY POWER PORT HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT  
WITH IT);**

**AND**

**(5) RESUMPTION OF TRADING IN THE SHARES OF  
TELEFIELD INTERNATIONAL (HOLDINGS) LIMITED**

**Financial adviser to  
POWER PORT HOLDINGS LIMITED**



**KINGSTON CORPORATE FINANCE LTD.**

**Financial adviser to  
TELEFIELD INTERNATIONAL (HOLDINGS) LIMITED**

**VEDA | CAPITAL**

**智 略 資 本**

**Independent financial adviser to the Independent Board Committee and Independent  
Shareholders of TELEFIELD INTERNATIONAL (HOLDINGS) LIMITED**



**大有融資有限公司  
MESSIS CAPITAL LIMITED**

## **THE DISPOSAL – MAJOR AND CONNECTED TRANSACTION AND SPECIAL DEAL**

On 22 May 2015, the Company and Dragon Fortune entered into the Disposal Agreement (as supplemented on 7 August 2015), pursuant to which the Company has conditionally agreed to sell and Dragon Fortune has conditionally agreed to purchase the entire issued share capital of Noble Treasure, which will hold a group of companies and subsidiaries and collectively being the Disposal Group upon the Corporate Reorganisation Completion, at a consideration of HK\$169,800,000. The Disposal Completion is conditional upon fulfillment or waiver of the conditions specified in the Disposal Agreement and as described under the subsection headed “Disposal Conditions” under the section headed “A. THE DISPOSAL – MAJOR AND CONNECTED TRANSACTION AND SPECIAL DEAL” below. The Disposal Agreement following its becoming unconditional will be completed simultaneously with the Share Sale Agreement.

### **Corporate Reorganisation**

The Corporate Reorganisation is one of the Disposal Conditions and is not capable of being waived by Dragon Fortune. Upon the Corporate Reorganisation Completion, Noble Treasure and its subsidiaries, will be the Disposal Group.

### **Regulatory implications**

As one or more of the applicable ratios calculated under Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under the Listing Rules. As at the date of the Disposal Agreement, Dragon Fortune held 243,942,000 Shares, representing approximately 59.25% of the existing Shares in issue. By virtue of Dragon Fortune’s controlling interest in the Company, the Disposal also constitutes a connected transaction for the Company under the Listing Rules and is subject to the reporting, announcement and the Independent Shareholders’ approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

Since the Disposal is not capable of being extended to all Shareholders, the Disposal also constitutes a special deal under Rule 25 of the Takeovers Code, which requires the consent of the Executive and such consent, if granted, will normally be conditional upon the independent financial adviser publicly stating in its opinion that the terms of the Disposal are fair and reasonable and the approval of the Independent Shareholders having been obtained by way of a poll at the EGM. An application will be made to the Executive for consent to proceed with the Disposal under Rule 25 of the Takeovers Code. Shareholders should note that such consent may or may not be granted by the Executive and, if such consent is not granted, the Disposal Completion will not proceed. As the obtaining of such consent is a Share Sale Conditions, the Share Sale Completion will not take place if such consent is not obtained at or before the Share Sale Longstop Date (or such later date as the Offeror and the Shares Vendors may agree).

## **MASTER SALE AGREEMENT – CONTINUING CONNECTED TRANSACTIONS AND SPECIAL DEAL**

Upon Disposal Completion and Share Sale Completion, certain sales arrangements between the Disposal Group and the Remaining Group will continue to be carried forward and transactions contemplated under the Master Sale Agreement.

### **Regulatory implications**

The Master Sale Agreement will constitute continuing connected transactions of the Company by virtue of Dragon Fortune's controlling interest in the Company and being the purchaser of the Disposal Group. As each of the highest of applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Master Sale Agreement is less than 5%, the transactions contemplated under the Master Sale Agreement are subject to the reporting and announcement requirements and are exempt from circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

However, since the Master Sale Agreement is not capable of being extended to all Shareholders, the Master Sale Agreement also constitutes a special deal under Rule 25 of the Takeovers Code, which requires the consent of the Executive and such consent, if granted, will normally be conditional upon the independent financial adviser publicly stating in its opinion that the terms of the Master Sale Agreement are fair and reasonable and the approval of the Independent Shareholders having been obtained by way of a poll at the EGM. An application will be made to the Executive for consent to proceed with the Master Sale Agreement under Rule 25 of the Takeovers Code. Shareholders should note that such consent may or may not be granted by the Executive and, if such consent is not granted, the Master Sale Agreement will not proceed.

### **THE SHARE SALE**

On 22 May 2015, the Shares Vendors and the Offeror entered into the Share Sale Agreement (as supplemented on 7 and 11 August 2015), pursuant to which (i) the Offeror has conditionally agreed to purchase the 274,588,000 Sale Shares, representing approximately 66.69% of the entire issued share capital of the Company as at the date of the Share Sale Agreement; (ii) Dragon Fortune has conditionally agreed to sell 243,942,000 Sale Shares and Telefield Charitable has conditionally agreed to sell 30,646,000 Sales Shares, representing approximately 59.25% and 7.44% respectively of the entire issued share capital of the Company at an aggregate consideration of HK\$557,688,228 (as to HK\$495,446,202 to Dragon Fortune and as to HK\$62,242,026 to Telefield Charitable) (equivalent to HK\$2.031 per Sale Share). The Share Sale is conditional upon fulfillment or waiver of the conditions specified in the Share Sale Agreement and as described under the sub-section headed "Share Sale Conditions" under the section headed "C. THE SHARE SALE" below.

### **Optionholder Undertaking**

Pursuant to the Share Sale Agreement, the Shares Vendors have procured the Optionholder to execute the Optionholder Undertaking on 22 May 2015, under which the Optionholder has undertaken that, among other things, (a) he will not exercise any outstanding Share Options up to the date of Share Sale Completion; (b) he will not accept any general offer on the Share Options; and (c) if he exercises any Share Options during the period between Share Sale Completion and the close of the Offer, he will not transfer, dispose of/otherwise deal in such exercised Shares or subject them to any encumbrances and he will not accept the Offer. All the outstanding Share Options are not transferable and not subject to any encumbrances.

As at the date of this joint announcement, the Company has outstanding Share Options entitling the holder thereof to subscribe for 4,117,140 Shares. The Share Options held by the Optionholder represent all the outstanding Share Options. Accordingly, the Offeror will not make an offer for the outstanding Share Options.

## **POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

As at the date of this joint announcement, the Offeror and parties acting in concert with it are not interested in any securities of the Company. Upon the Share Sale Completion, the Offeror and parties acting in concert with it will be interested in 274,588,000 Shares, representing approximately 66.69% of the entire issued share capital of the Company (assuming no outstanding Share Options having been exercised) and approximately 66.03% of the entire issued share capital of the Company (assuming all the outstanding Share Options having been exercised). Subject to Share Sale Completion and pursuant to the Optionholder Undertaking, the Offeror will therefore be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash offer for all the issued Shares which are not already owned or agreed to be acquired by it and parties acting in concert with it.

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

Subject to Share Sale Completion, Kingston Securities will, on behalf of the Offeror and in compliance of the Takeovers Code, make the Offer on the following basis:

**For each Offer Share . . . . . HK\$2.031 in cash**

The Offer Price of HK\$2.031 per Offer Share is the same as the purchase price for each Sale Share payable by the Offeror under the Share Sale Agreement.

Principal terms of the Offer are set out under the paragraphs headed “E. POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER” of this joint announcement. Kingston Corporate Finance, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

**If, at the close of the 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:**

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

**the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.**

### **Independent Board Committee and Independent Financial Adviser**

The Company has established the Independent Board Committee comprising all the independent non-executive Directors, namely Au-Yang Cheong Yan Peter, Kwan Pun Fong Vincent and Xue Quan, who have no direct or indirect interest in the Disposal, the Corporate Reorganisation, the Master Sale Agreement, the Share Sale and/or the Offer to advise the Independent Shareholders on the respective terms of the Disposal, the Master Sale Agreement, and the Offer. Messis Capital has been appointed as the independent financial adviser to advise (i) the Independent Board Committee and the Independent Shareholders in respect of the Disposal, the Master Sale Agreement, and transactions contemplated thereunder; and (ii) the Independent Board Committee in respect of the Offer. The appointment of Messis Capital as the independent financial adviser has been approved by the Independent Board Committee.

## **Despatch of documents**

A circular containing, among other things, information regarding the Disposal, the Master Sale Agreement, and transactions contemplated thereunder, the recommendation from the Independent Board Committee and the advice of Messis Capital on the Disposal, the Master Sale Agreement, and transactions contemplated thereunder and the notice of the EGM will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules and the Takeovers Code. The circular of the Company is expected to be despatched to the Shareholders on or before 1 September 2015.

Pursuant to the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror is required to despatch an offer document in relation to the Offer and the Company is required to send to Shareholders within 14 days of the posting of the offer document a circular containing, among other things, financial information of the Company, information as required under the Takeovers Code, together with any other information the Company considers to be relevant to enable Shareholders to reach a properly informed decision on the Offer. It is the intention of the Offeror and the Board that the offer document and the offeree board circular in respect of the Offer be combined in the Composite Document. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the consent of the Executive is required if the making of the Offer is subject to the prior fulfillment of certain pre-conditions and the pre-conditions cannot be fulfilled within the time period required by Rule 8.2 of the Takeovers Code. As the making of the Offer is conditional upon the Disposal Completion and the Share Sale Completion, it is expected that an application will be made to the Executive to extend the deadline for the despatch of the Composite Document, together with the form(s) of acceptance and transfer, to a date within 7 days upon the Disposal Completion and the Share Sale Completion or such later date as the Executive may approve. Further announcement(s) will be made by the Offeror and the Company on the timing of the despatch of the Composite Document.

## **Suspension and resumption of trading**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Friday, 22 May 2015 pending the release 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 12 August 2015.

## **Warning**

**Shareholders and potential investors of the Company should note that the Disposal Completion and the Share Sale Completion are conditional upon the fulfillment or waiver of certain Disposal Conditions and Share Sale Conditions respectively and the Offer will only be made if the Disposal Completion and the Share Sale Completion take place. Accordingly, the Disposal Agreement and the Share Sale Agreement may or may not be completed and the Offer may or may not proceed. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**



## **A. THE DISPOSAL – MAJOR AND CONNECTED TRANSACTION AND SPECIAL DEAL**

### **The Disposal Agreement**

#### *Date*

22 May 2015 (as supplemented on 7 August 2015)

#### *Parties*

- (i) the Company, as vendor; and
- (ii) Dragon Fortune, as purchaser.

Dragon Fortune is an investment holding company incorporated in Hong Kong with limited liability. As at the date of this joint announcement, Dragon Fortune is interested in 243,942,000 Shares, representing approximately 59.25% of the total number of issued Shares of the Company. Dragon Fortune is interested as to approximately 53.3% by Century Win which in turn is interested as to approximately 53.68% by Mr. Cheng and as to approximately 46.32% by Mrs. Cheng. The 46.7% interests in each of Dragon Fortune and Telefield Charitable are held by nine individuals as to approximately 8.64% by Lee Kai Bon, an executive Director, as to approximately 8.64% by Ng Kim Yuen, an executive Director, as to approximately 6.495% by Fok Pui Yin, an executive Director, as to approximately 6.495% by Sum Kwok Fai, as to approximately 5.19% by Wong Sik Hung, as to approximately 3.46% by Chiu King Yim, as to approximately 3.02% by Ko Mee Ling, as to approximately 3.02% by Tam Kam Fong and as to approximately 1.74% by Poon Ka Lee, Barry, an executive Director.

#### *Subject matter*

Pursuant to the Disposal Agreement, the Company has conditionally agreed to sell and Dragon Fortune has conditionally agreed to purchase the entire issued share capital of Noble Treasure (after Corporate Reorganisation Completion) and the Sale Loan. Noble Treasure Shares shall be acquired free from all Encumbrances and together with all rights now or hereafter attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the Disposal Completion Date.

#### *Disposal Consideration*

The aggregate Disposal Consideration for Noble Treasure Shares and the Sale Loan shall be HK\$169,800,000 Noble Treasure payable by Dragon Fortune in full in cash upon the Disposal Completion. The consolidated net liability value of Noble Treasure and the consolidated net liability value attributable to shareholders of Noble Treasure as at 31 December 2014, based on the audited financial information of the Disposal Group for the year ended 31 December 2014, were about HK\$77.6 million and about HK\$63.2 million respectively. As at 31 December 2014, the Sale Loan amounted to approximately HK\$231.0 million.

## ***Disposal Conditions***

The Disposal Completion is conditional upon:

- (i) the passing by the Independent Shareholders of an ordinary resolution approving the Disposal Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules and the Takeovers Code;
- (ii) the consent of the Executive in relation to the Disposal Agreement and the transactions contemplated thereunder as a special deal under Rule 25 of the Takeovers Code having been obtained and not revoked prior to the Disposal Completion;
- (iii) no indication having been received on or before the Disposal Completion Date from the SFC or the Stock Exchange to the effect that the listing of the Shares on the Main Board will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of the terms of the Disposal Agreement; and
- (iv) the simultaneous Share Sale Completion.

None of the Disposal Conditions set out above can be waived by Dragon Fortune or the Company.

If the Disposal Conditions have not been fulfilled on or before the Disposal Longstop Date, the Disposal Agreement shall terminate with immediate effect, and neither party shall have any rights or obligations against the other under the Disposal Agreement except for any antecedent breach.

## ***Disposal Completion***

The Disposal Completion shall take place within 5 Business Days after (but excluding) the day on which all the Disposal Conditions are fulfilled or waived (as the case may be), or at such other time as may be agreed by the Company and Dragon Fortune.

Subject to the satisfaction of the above Disposal Conditions, Disposal Completion shall take place simultaneously with Share Sale Completion.

Following the Disposal Completion and the Corporate Reorganisation Completion, the Company will cease to hold any interest in Affonso, Alagona, Calibre, Macar and Phoenix Choice, and Affonso, Alagona, Calibre, Macar and Phoenix Choice will cease to be subsidiaries of the Company.

## ***Information of the Disposal Group***

Upon the Corporate Reorganisation Completion, Noble Treasure, Affonso, Alagona, Calibre, Macar and Phoenix Choice will be the Disposal Group and will be purchased by Dragon Fortune at the Disposal Consideration of HK\$169,800,000.

The Disposal Group's businesses include (i) distribution of wireless communication products such as wireless modems and truck tracking devices; (ii) distribution of multimedia products and computer accessories; (iii) distribution of gaming products and toys; and (iv) contractual manufacturing business of hotel amenities products.

Noble Treasure is an investment holding company incorporated in the BVI with limited liability established for the purpose of the Corporate Reorganisation. Noble Treasure is a direct wholly-owned subsidiary of the Company.

Affonso is an investment holding company incorporated in the BVI with limited liability. The Affonso Group is principally engaged in contractual manufacturing business of hotel amenities products in India.

Alagona is an investment holding company incorporated in the BVI with limited liability. The Alagona Group is principally engaged in the distribution of multimedia products and computer accessories in Europe and the PRC.

Calibre is an investment holding company incorporated in the BVI with limited liability. The Calibre Group is principally engaged in the distribution of (i) wireless communication products such as wireless modems and truck tracking devices; and (ii) professional amplifier with speaker products, in Asia and the USA.

Macar is an investment holding company incorporated in the BVI with limited liability. The Macar Group is principally engaged in the distribution of gaming products and toys in Europe and the USA.

Phoenix Choice is an investment holding company incorporated in the BVI with limited liability. The Phoenix Choice Group is principally engaged in property investment in India.

### ***Undertaking***

Pursuant to the Disposal Agreement, the Company and Dragon Fortune shall procure that all corporate guarantees provided by the Company to the Disposal Group or similar obligations given or incurred by the Company shall be unconditionally and absolutely released upon Disposal Completion.

### ***Non-competition undertaking***

Pursuant to the Disposal Agreement, Dragon Fortune has undertaken to the Remaining Group that:

- (i) it shall, whether directly or indirectly, not, without the prior consent from Telefield Holdings, engage or it shall procure the Disposal Group not to engage in any business that is in direct competition with the business of the Remaining Group which has already been carried out by the Remaining Group as at Disposal Completion, for a term of two (2) years after Disposal Completion; and
- (ii) within two (2) years after Disposal Completion, it shall inform Telefield Holdings in the first instance if there is any new business opportunity in relation to the business currently engaged by the Remaining Group as at Disposal Completion unless Telefield Holdings has (i) given an express consent on behalf of the Remaining Group to the Disposal Group to take up such business opportunity; or (ii) Telefield Holdings has expressly declined such business opportunity and has given consent the Disposal Group to take up such business opportunity.



## ***Financial effects of the Disposal***

Following the Disposal Completion, the Disposal Group will cease to be subsidiaries of the Company and will be held as to 100% by Dragon Fortune.

The consolidated net loss of the Disposal Group for the two years ended 31 December 2013 and 2014, based on the audited financial information of the Disposal Group for the two years ended 31 December 2013 and 2014 respectively, are as follows:

	<b>For the year ended 31 December</b>	
	2013	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before taxation	(7,577)	(92,723)
Net loss after taxation	(6,980)	(89,410)
Net loss after taxation attributable to owners of the Disposal Group	<u>(9,894)</u>	<u>(47,083)</u>

The consolidated net liability value of the Disposal Group and the consolidated net liability value attributable to shareholders of the Disposal Group as at 31 December 2014, based on the audited financial information of the Disposal Group for the year ended 31 December 2014, were about HK\$77.6 million and about HK\$63.2 million respectively. The Sale Loan amounted to approximately HK\$231.0 million as at 31 December 2014.

Based on the consideration of HK\$169,800,000, the audited consolidated net liability value attributable to shareholders of Noble Treasure as at 31 December 2014, the amount of Sale Loan as at 31 December 2014 and the related professional expenses of the Disposal, the Disposal is expected to give rise to a profit attributable to the Company of approximately HK\$0.5 million with breakdown shown as follows:

	<i>HK\$ million</i>
Consideration	169.8
Net liability value of the Disposal Group	77.6
Sale Loan	(231.0)
Estimated professional expenses	(4.0)
Re-classification of exchange reserves upon the Disposal	2.5
Derecognition of non-controlling interest of the Disposal Group	<u>(14.4)</u>
Gain on Disposal attributable to the Company	<u>0.5</u>

## **Reasons for the Disposal**

The Group is principally engaged into two business segments, the EMS and the distribution businesses. Among the distribution business segment, there are three main product lines including the communication products, multimedia products & computer accessories and gaming products and toys.

After arm's length negotiations between the Shares Vendors and the Offeror, and taking into account (i) the entire structure of the Offer, the Corporate Reorganisation and the Disposal; and (ii) the consideration for the Sale Shares to be paid by the Offeror to the Shares Vendors, the Offeror and the Shares Vendors have mutually agreed that the Share Sale Completion shall be conditional upon Disposal Completion becoming unconditional, such that the Offeror will acquire a controlling stake in the Company, the business of which will then be streamlined and the Remaining Group will be principally engaged in (i) distribution of business phone systems under the RCA brand; (ii) EMS business originally engaged by the Group with manufacturing facilities located in Guangzhou upon Share Sale Completion. Major products manufactured under the EMS business of the Remaining Group are electronic consumer products including but not limited to residential and business phones, beauty consumer products, home appliances and appliance control products.

In considering the businesses to be included in the Disposal Group and the Remaining Group, the Directors have considered that most of the distribution businesses in the Disposal Group were loss making for the year ended 31 December 2014 or had been loss making for several years so that the performance of the Remaining Group will be significantly improved should most of the loss making businesses be removed from the Group. As confirmed by the Directors, the heavy losses of the distribution businesses of the Disposal Group for the year ended 31 December 2014 were mainly due to (i) depreciation of Euro with a fixed Euro selling price against the purchase cost of products in US dollars; (ii) increase in product warranty; (iii) intense competition within the sectors; and (iv) increase in advertising campaign and marketing expenditures of the Disposal Group.

The Disposal Consideration was determined between the Company and Dragon Fortune after arm's length negotiations having taken into account of the financial situation of the Disposal Group including the net asset value and the amount of Sale Loan of the Disposal Group and the future prospects of the Disposal Group.

As mentioned in the section headed "Offeror's intention of the Company" below, the Offeror will, following the completion of the Offer, conduct a detailed review of the business operations and financial position of the Remaining Group for the purpose of developing a sustainable business plan or strategy for the Remaining Group and will explore and consider any other investment and business opportunities that may arise in the market from time to time that it considers value-enhancing to Shareholders and/or otherwise in the best interests of the Remaining Group. The cash proceeds (net of attributable expenses of approximately HK\$4.0 million) from the Disposal are estimated to be approximately HK\$165.8 million, and are expected to be applied towards general working capital requirements of the Remaining Group and any other investment and business opportunities that may arise in the market from time to time that is considered value-enhancing to Shareholders and/or otherwise in the best interests of the Remaining Group. As at the date of this announcement, the Offeror has not yet formulated any business plan or strategy for the Remaining Group, or any definitive proposals, terms or timetable for any possible future acquisitions and no agreements for any possible future acquisitions have been entered into. The Company will comply with all applicable requirements of the Listing Rules and/or the Takeovers Code as and when appropriate.

The Directors (other than the independent non-executive Directors who shall form their view after receiving the letter of advice from Messis Capital) consider that the Corporate Reorganisation and the Disposal will facilitate the Share Sale Completion and, accordingly, the Offer to the Shareholders. In view of the fact that the Disposal can be realized based on net assets value of the Disposal Group and the amount of Sale Loan and with the expected cash inflow from the Disposal, the Directors (other than the independent non-executive Directors who shall form their view after receiving the letter of advice from Messis Capital) are of the view that the terms of the Disposal Agreement are fair and reasonable and the Disposal and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

### **Regulatory implications**

As one or more of the applicable ratios calculated under Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under the Listing Rules. As at the date of the Disposal Agreement, Dragon Fortune held 243,942,000 Shares, representing approximately 59.25% of the existing Shares in issue. By virtue of Dragon Fortune's controlling interest in the Company, the Disposal also constitutes a connected transaction for the Company under the Listing Rules and is subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

Since the Disposal is not capable of being extended to all Shareholders, the Disposal also constitutes a special deal under Rule 25 of the Takeovers Code, which require the consent of the Executive and such consent, if granted, will normally be conditional upon the independent financial adviser publicly stating in its opinion that the terms of the Disposal are fair and reasonable and the approval of the Independent Shareholders having been obtained by way of a poll at the EGM. An application will be made to the Executive for consent to proceed with the Disposal under Rule 25 of the Takeovers Code. Shareholders should note that such consent may or may not be granted by the Executive and, if such consent is not granted, the Disposal will not proceed. As the obtaining of such consent is a Share Sale Condition, the Share Sale Completion will not take place if such consent is not obtained at or before the Share Sale Longstop Date (or such later date as the Offeror and the Shares Vendors may agree).

## **B. MASTER SALE AGREEMENT – CONTINUING CONNECTED TRANSACTIONS AND SPECIAL DEAL**

Upon Disposal Completion and Share Sale Completion, certain sales arrangements between the Disposal Group and the Remaining Group will continue to be carried forward and transactions contemplated under the Master Sale Agreement.

Date: 7 August 2015

Parties: (i) Telefield Holdings, a member of the Remaining Group, as the EMS Products supplier  
(ii) Noble Treasure, a member of the Disposal Group, as the EMS Products purchaser

Term: From the date of Disposal Completion to 31 December 2016 (both days inclusive)

**Subject Matter:** The Remaining Group has agreed to provide various EMS Products and services (including sourcing and procurement, production and after-sales services) to the Disposal Group, for which the Remaining Group shall produce, assemble, test, label, package and deliver the EMS Products in accordance with the specifications ordered by the Disposal Group, subject to and upon the terms and conditions of the Master Sale Agreement.

**Condition:**

- (i) the consent of the Executive in relation to the Disposal Agreement and the transactions contemplated thereunder as a special deal under Rule 25 of the Takeovers Code having been obtained and not revoked prior to the Disposal Completion;
- (ii) no indication having been received on or before the Disposal Completion Date from the SFC or the Stock Exchange to the effect that the listing of the Shares on the Main Board will or may be withdrawn or objected to (or conditions will or may be attached thereto) as a result of the terms of the Disposal Agreement; and
- (iii) all applicable consent required from the Stock Exchange and the SFC (if necessary) in connection with the Master Sale Agreement and the transactions contemplated therein shall have been obtained.

### **Proposed annual caps**

The Directors expect that the maximum aggregate annual fee payable by the Disposal Group under the Master Sale Agreement for each of the two years ending 31 December 2015 and 2016 shall not exceed HK\$5 million, and HK\$18 million respectively.

The above proposed annual caps were and would be determined after arm's length negotiation between the Remaining Group and the Disposal Group from time to time with reference to (i) the then prevailing fee of similar EMS services providers pursuant to the Master Sale Agreement in the market and the terms of which would be no less favourable than that offered to independent third parties; and (ii) the historical and forecast quantity of the EMS Products required by the Disposal Group.

### **Reasons to and benefits for entering into the Master Sale Agreement**

Since the Remaining Group is well acquainted with the businesses of the Disposal Group and is experienced in providing the EMS services, it is both time and cost effective from a continuity perspective for the Disposal Group to continue engaging the Remaining Group to provide the EMS services and at the same time, this arrangement would generate steady income for the Remaining Group.

In light of the above, the Directors (other than the independent non-executive Directors who shall form their view after receiving the letter of advice from Messis Capital) are of the view that the terms of the Master Sale Agreement and the transactions contemplated thereunder are and will be entered into in the ordinary and usual course of business of the Company and are and will be on normal commercial terms, and the terms of the Master Sale Agreement and the annual caps under the Master Sale Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Regulatory implications**

The transactions contemplated in the Master Sale Agreement will constitute continuing connected transactions of the Company by virtue of Dragon Fortune's controlling interest in the Company and being the purchaser of the Disposal Group. As each of the highest of applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Master Sale Agreement is less than 5%, the transactions contemplated under the Master Sale Agreement are subject to the reporting and announcement requirements and are exempt from circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

However, since the Master Sale Agreement is not capable of being extended to all Shareholders, the Master Sale Agreement also constitutes a special deal under Rule 25 of the Takeovers Code, which requires the consent of the Executive and such consent, if granted, will normally be conditional upon the independent financial adviser publicly stating in its opinion that the terms of the Master Sale Agreement are fair and reasonable and the approval of the Independent Shareholders having been obtained by way of a poll at the EGM. An application will be made to the Executive for consent to proceed with the Master Sale Agreement under Rule 25 of the Takeovers Code. Shareholders should note that such consent may or may not be granted by the Executive and, if such consent is not granted, the Master Sale Agreement will not proceed so that any new purchase orders of the Disposal Group will not be processed by the Remaining Group.

## **C. THE SHARE SALE**

### **The Share Sale Agreement**

Date: 22 May 2015 (as supplemented on 7 and 11 August 2015)

Parties: (i) Dragon Fortune and Telefield Charitable, together as the Shares Vendors; and  
(ii) the Offeror, as the purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Offeror, its ultimate beneficial owners and parties acting in concert with any of them are third parties independent of the Group and its connected persons.

### ***Subject matter***

Pursuant to the Share Sale Agreement, (i) the Offeror has conditionally agreed to purchase the 274,588,000 Sale Shares, representing approximately 66.69% of the entire issued share capital of the Company as at the date of the Share Sale Agreement; (ii) Dragon Fortune has conditionally agreed to sell 243,942,000 Sale Shares and Telefield Charitable has conditionally agreed to sell 30,646,000 Sales Shares, representing approximately 59.25% and 7.44% respectively of the entire issued share capital of the Company, free from all Encumbrances and together with all rights attaching thereto with effect from the Share Sale Completion, including all rights to any dividend or other distribution declared, made or paid on or after the date of Share Sale Completion.

### ***Sale Shares Consideration***

The consideration for the Sale Shares shall be HK\$557,688,228 (as to HK\$495,446,202 to Dragon Fortune and as to HK\$62,242,026 to Telefield Charitable) (equivalent to HK\$2.031 per Sale Share), which was negotiated and determined on arm's length basis between the Shares Vendors and the Offeror with reference to the unaudited consolidated pro forma net assets value of the Remaining Group (after completion of the Corporate Reorganisation and the Disposal), and the fact that the Offeror can obtain a controlling interest in the Company.

Pursuant to the Share Sale Agreement, the consideration for the Sale Shares has been/shall be payable by the Offeror to the Shares Vendors in the following manner:

- (i) a sum of HK\$20,000,000 (as to HK\$17,767,855.84 to Dragon Fortune and HK\$2,232,144.16 to Telefield Charitable) has been paid by the Offeror to Dragon Fortune by way of deposit upon the signing of the MOU ("**Initial Deposit**"), which shall, upon the Share Sale Completion, be applied, as part payment of the Sale Shares Consideration;
- (ii) a further deposit of a sum of HK\$467,688,228 ("**Further Deposit**") has been paid by the Offeror to Dragon Fortune on the date of the Share Sale Agreement against the simultaneous execution of the Share Charges, which shall be completely released upon Share Sale Completion. The Further Deposit shall, upon Share Sale Completion, be applied as part payment of the consideration under the Share Sale payable to Dragon Fortune; and
- (iii) the balance of HK\$70,000,000 shall be paid by the Offeror to Dragon Fortune (as to HK\$9,990,118.16 for the account of Dragon Fortune and HK\$60,009,881.84 for the account of Telefield Charitable) in a manner as agreed by the Shares Vendors and the Offeror on the Share Sale Completion Date.

### ***Share Sale Conditions***

The Share Sale Completion under the Share Sale Agreement is conditional upon satisfaction or waiver (as the case may be) of all of the following conditions:

- (i) the Stock Exchange and the Executive advising that they have no further comment on the announcements and the Circular to be released in connection with the transactions contemplated under the Share Sale Agreement;
- (ii) the warranties, representations and/or undertakings given or made by the Shares Vendors in the Share Sale Agreement remaining true and accurate and not misleading in all material respects as given as at the date of the Share Sale Agreement and as at Share Sale Completion;



- (iii) (A) the current listing of the Shares not having been withdrawn, (B) the Shares continuing to be traded on the Stock Exchange prior to the Share Sale Completion Date (save for any temporary suspension for no longer than seven consecutive trading days or such other period as the Offeror may agree in writing or the temporary suspension in connection with transactions contemplated under the Share Sale Agreement) and (C) neither the Stock Exchange nor the SFC having indicated before the Share Sale Completion Date that it will object to such continued listing for reasons related to or arising from the transactions contemplated under the Share Sale Agreement;
- (iv) the Offeror being reasonably satisfied with the results of a due diligence review of the Group which the Offeror shall not unreasonably withhold and the due diligence shall be completed within two months from date of the MOU;
- (v) the passing by the Independent Shareholders of an ordinary resolution approving the Disposal Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules and the Takeovers Code;
- (vi) the consent of the Executive in relation to the Disposal Agreement and the transactions contemplated thereunder as a special deal under Rule 25 of the Takeovers Code having been obtained and not revoked prior to the Disposal Completion;
- (vii) simultaneous completion of the Disposal;
- (viii) execution of the TrekStor Guarantee;
- (ix) evidence reasonably satisfactory to the Offeror showing the absolute and unconditional release of the Company from the Corporate Guarantees, indemnity, bond or Encumbrance, or similar obligations given or incurred by it on or before the date of the Share Sale Agreement for debts, liabilities or obligations, actual or contingent, of any member of the Group and/or the Disposal Group or any other person before Share Sale Completion;
- (x) execution of the Optionholder Undertaking by the Optionholder(s); and
- (xi) no change or event or circumstance since the date of the Share Sale Agreement that has a material and adverse effect on the financial conditions, results, operations or prospects of any member of the Group having occurred on or prior to the Share Sale Completion Date.

In view of the TrekStor Dispute and the TrekStor Previous Guarantee that the Company may be liable for a disputable sum of USD2,604,070.8 (equivalent to approximately HK\$20,311,752.24), the Shares Vendors agree to provide the TrekStor Guarantee in the terms satisfactory to the Offeror, to the effect that TrekStor (a subsidiary in the Disposal Group upon Corporate Reorganisation Completion) will give the corporate guarantee and indemnity in favour of the Company and the Offeror on or before Share Sale Completion whereby TrekStor shall be responsible for all amount payable arising from or any matter in connection with the TrekStor Dispute.

The Offeror may, at its absolute discretion, waive at any time by notice in writing to the Shares Vendors conditions (ii), (iii), (iv) and (viii) of the above Share Sale Conditions.

As at the date of this joint announcement, condition (x) above have been fulfilled. If any of the Share Sale Conditions (i), (v), (vi), (vii) and (ix) above is not fulfilled on or before the Share Sale Longstop Date or any of the Share Sale Conditions (ii), (iii), (iv) and (viii) is not fulfilled or waived by the Offeror (as the case may be) on or prior to the Share Sale Completion Date, the Share Sale Agreement shall lapse and cease to have any effect except for certain clauses specified therein, the Shares Vendors shall refund the deposit of HK\$487,688,228 (without interest) to the Offeror whilst the Offeror shall release the Share Charges within seven Business Days after the Share Sale Longstop Date.

Save for (i) the claims arising out of any antecedent breach of the provisions or continuing provisions of the Share Sale Agreement; (ii) the refund of deposit of HK\$487,688,228 by the Shares Vendors to the Offeror; (iii) the release of the Share Charges; and (iv) claims arising out of the continuing provisions of the Share Sale Agreement, no parties under the Share Sale Agreement shall have any obligations and liabilities towards each other thereunder.

### ***Share Sale Completion***

Subject to the fulfilment of the Share Sale Conditions, Share Sale Completion will take place on the Share Sale Completion Date, being the fifth Business Day after the day on which the last of the Share Sale Conditions is fulfilled or waived (as the case may be) or such later date as the Offeror and the Shares Vendors may agree in writing.

### **Share Charges**

Pursuant to the Share Sale Agreement, it is a condition precedent for the payment of the Further Deposit by the Offeror to Dragon Fortune and the payment of the relevant portion of the Initial Deposit to each of the Share Vendors that the Shares Vendors execute the Share Charges in favour of the Offeror.

On 22 May 2015, Dragon Fortune and Telefield Charitable, in each case as the chargor executed respectively the Share Charge 1 and the Share Charge 2 in favour of the Offeror.

Under the Share Charge 1, Dragon Fortune has charged all its rights, title and interest in all those 243,942,000 Shares beneficially owned by it in favour of the Offeror.

Under the Share Charge 2, Telefield Charitable has charged all its rights, title and interest in all those 30,646,000 Shares beneficially owned by it in favour of the Offeror.

The Share Charges shall be completely released upon the Share Sale Completion.

### **The Optionholder Undertaking**

Pursuant to the Share Sale Agreement, the Shares Vendors have procured the Optionholder to execute the Optionholder Undertaking on 22 May 2015 that (a) at any time from the date of the Share Sale Agreement up to the Share Sale Completion, the Optionholder will not exercise any outstanding Share Options; (b) the Optionholder will not accept any general offer on the Share Options; and (c) if the Optionholder exercises any Share Options during the period between Share Sale Completion and the close of the Offer pursuant to the terms of the Takeovers Code, the Optionholder will ensure and procure that all the Shares to be issued to him pursuant thereto will be and will remain to be legally and beneficially owned by him from the date of exercise of the Share Options up to and including the close of the Offer pursuant to the terms of the Takeovers Code and the Optionholder will not accept any Offer. All the outstanding Share Options are not transferable and not subject to any encumbrances.

## D. CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a table showing the shareholding structure of the Company (i) as at the date of this joint announcement; (ii) immediately upon Share Sale Completion and pursuant to the Optionholder Undertaking that none of the outstanding Share Options will be exercised prior to the Share Sale Completion; and (iii) immediately upon Share Sale Completion (assuming all the outstanding Share Options are exercised prior to the Share Sale Completion). The figures below have not taken into account the level of acceptance of the Offer.

	(i)As at the date of this joint announcement		(ii)Immediately upon Share Sale Completion and pursuant to the Optionholder Undertaking that none of the outstanding Share Options will be exercised prior to the Share Sale Completion		(iii)Immediately upon Share Sale Completion (assuming all the outstanding Share Options are converted prior to the Share Sale Completion)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
The Offeror and parties acting in concert with it	–	–	274,588,000	66.69	274,588,000	66.03
Dragon Fortune (Note 1)	243,942,000	59.25	–	–	–	–
Telefield Charitable (Note 1)	30,646,000	7.44	–	–	–	–
Mr. Lee Kai Bon (Notes 2 and 3)	2,634,000	0.64	2,634,000	0.64	2,634,000	0.63
Mr. Ng Kim Yuen (Notes 2 and 3)	2,640,000	0.64	2,640,000	0.64	2,640,000	0.63
Mr. Poon Ka Lee Barry (Notes 2 and 3)	540,000	0.13	540,000	0.13	4,657,140	1.12
Ms. Fok Pui Yin (Notes 2 and 3)	1,950,000	0.47	1,950,000	0.47	1,950,000	0.47
Mr. Sum Kwok Fai (Note 3)	1,950,000	0.47	1,950,000	0.47	1,950,000	0.47
Mr. Wong Sik Hung (Note 3)	1,590,000	0.39	1,590,000	0.39	1,590,000	0.38
Mr. Tam Kam Fong (Note 3)	1,230,000	0.30	1,230,000	0.30	1,230,000	0.30
Mr. Chiu King Yim (Note 3)	1,050,000	0.26	1,050,000	0.26	1,050,000	0.25
Ms. Ko Mee Ling (Note 3)	930,000	0.23	930,000	0.23	930,000	0.22
Independent Shareholders	122,612,000	29.78	122,612,000	29.78	122,612,000	29.49
<b>Total</b>	<b>411,714,000</b>	<b>100.00</b>	<b>411,714,000</b>	<b>100.00</b>	<b>415,831,140</b>	<b>100.00</b>

Notes:

- (1) Mr. Cheng holds approximately 53.68% interest in Century Win and Century Win respectively holds approximately 53.30% interest in each of Dragon Fortune and Telefield Charitable. Mrs. Cheng is interested in as to approximately 46.32% of Century Win. Therefore, Mr. Cheng is deemed or taken to be interested in all the Shares which are beneficially owned by each of Dragon Fortune and Telefield Charitable. The 46.7% interests in each of Dragon Fortune and Telefield Charitable are held by nine individuals as to approximately 8.64% by Lee Kai Bon, an executive Director, as to approximately 8.64% by Ng Kim Yuen, an executive Director, as to approximately 6.495% by Fok Pui Yin, an executive Director, as to approximately 6.495% by Sum Kwok Fai, as to approximately 5.19% by Wong Sik Hung, as to approximately 3.46% by Chiu King Yim, as to approximately 3.02% by Ko Mee Ling, as to approximately 3.02% by Tam Kam Fong and as to approximately 1.74% by Poon Ka Lee, Barry, an executive Director.
- (2) Mr. Lee Kai Bon, Mr. Ng Kim Yuen, Mr. Poon Ka Lee Barry and Ms. Fok Pui Yin are the executive Directors.
- (3) These nine individuals are referred as the Other Vendor Shareholders.
- (4) The above percentages are subject to rounding and may not add up to 100%.

## **E. POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER**

Given that: (a) the cash consideration payable under the Offer will be financed by the Loan Facility granted by LIL to the Offeror as set forth in the paragraph headed “Financial resources available for the Offer” in this joint announcement; and (b) the Offeror has created a charge over the Sale Shares and the Offer Shares to be acquired from those Shareholders who accept the Offer in favour of Xinrong Fund, as a security for the Loan Facility, details of which are set out under the paragraph headed “Other arrangements” in this joint announcement, LIL and Xinrong Fund are presumed to be parties acting in concert with the Offeror. As at the date of this joint announcement, the Offeror and parties acting in concert with it are not interested in any securities of the Company. Upon the Share Sale Completion, the Offeror and parties acting in concert with it will be interested in 274,588,000 Shares, representing approximately 66.69% of the entire issued share capital of the Company (assuming no outstanding Share Options having been exercised) and approximately 66.03% of the entire issued share capital of the Company (assuming all the outstanding Share Options having been exercised). Subject to Share Sale Completion and pursuant to the Optionholder Undertaking, the Offeror will therefore be required under Rule 26.1 of the Takeovers Code to make a mandatory unconditional cash Offer for all the issued Shares which are not already owned or agreed to be acquired by it and parties acting in concert with it.

Pursuant to the Share Sale Agreement, the Shares Vendors have procured the Optionholder to execute the Optionholder Undertaking on 22 May 2015. As the Share Options held by the Optionholder represent all the outstanding Share Options, the Offeror will not make any offer for the outstanding Share Options. Details of the Optionholder Undertaking are set out in the paragraph headed “Optionholder Undertaking” in this joint announcement above.

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

Subject to Share Sale Completion, Kingston Securities will, on behalf of the Offeror and in compliance of the Takeovers Code, make the Offer on the following basis:

**For each Offer Share . . . . . HK\$2.031 in cash**

The Offer Price of HK\$2.031 per Offer Share is the same as the purchase price for each Sale Share payable by the Offeror under the Share Sale Agreement.

As at the date of this joint announcement, the Company has 411,714,000 Shares in issue and outstanding Share Options entitling their holders to subscribe for up to an aggregated of 4,117,140 Shares at an exercise price of HK\$0.65 per Share. All the Share Options are currently exercisable. If the Share Options are exercised in full during the period as permitted under the Optionholder Undertaking between Share Sale Completion and the close of the Offer, the Company will have to issue 4,117,140 Shares representing approximately 0.99% of the enlarged issued share capital of the Company as at the date of this joint announcement.

Save for the outstanding Share Options, the Company has no outstanding securities, options, derivatives or warrants which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such securities, options, derivatives or warrants of the Company with any parties.

## **Comparison of value**

The Offer Price of HK\$2.031 per Offer Share represents:

- (i) a discount of approximately 35.93% to the closing price of HK\$3.17 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 32.57% to the average closing price of approximately HK\$3.012 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 31.41% to the average closing price of approximately HK\$2.961 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 5.97% to the closing price of HK\$2.16 per Share as quoted on the Stock Exchange on the last trading day prior to the MOU Announcement;
- (v) a premium of approximately 12.09% over the average closing price of approximately HK\$1.812 per Share being the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 trading days up to and including the last trading day prior to the MOU Announcement;
- (vi) a premium of approximately 39.59% over the average closing price of approximately HK\$1.455 per Share being the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 trading days up to and including the last trading day prior to the MOU Announcement;
- (vii) premium of approximately 111.78% over the average closing price of approximately HK\$0.959 per Share being the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the last trading day prior to the MOU Announcement; and
- (viii) a premium of approximately 138.94% over the audited consolidated net assets of the Company of approximately HK\$0.85 per Share as at 31 December 2014.

Given the fact that the closing price of the Shares only started to rise substantially around the time of the MOU Announcement and the premium of the Offer Price over (i) the 30 trading day average closing price of the Shares prior to the date of the MOU Announcement; and (ii) the audited consolidated net assets per Share of the Company as at 31 December 2014, it is considered that the Offer Price is fair and reasonable (other than the independent non-executive Directors who shall form their view after receiving the letter of advice from Messis Capital).

## **Highest and lowest Share prices**

During the six-month period immediately preceding 27 April 2015 (being the date of the MOU Announcement) and the period up to and including the Last Trading Day, the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.61 per Share on 17 December 2014, 21 January 2015 and 22 January 2015 and the highest closing price of the Shares as quoted on the Stock Exchange was HK\$3.21 per Share on 20 May 2015.



## **Total consideration of the Offer**

As at the date of this joint announcement, there are 411,714,000 Shares in issue. Assuming that there is no change in the issued share capital of the Company and none of the outstanding Share Options is exercised prior to the making of the Offer and on the basis of the Offer Price at HK\$2.031 per Share, the entire issued share capital of the Company would be valued at HK\$836,191,134.

Assuming that none of the 4,117,140 outstanding Share Options is exercised prior to the close of the Offer and there is no change in the issued share capital of the Company up to the close of the Offer, 137,126,000 Offer Shares, representing approximately 33.31% of the issued share capital of the Company, will be subject to the Offer which will be valued at HK\$278,502,906.

Assuming all of the aforesaid outstanding Share Options are exercised by the Optionholder during the period as permitted under the Optionholder Undertaking between Share Sale Completion and before the close of the Offer, 4,117,140 Shares will be issued. Given that the Share Options held by the Optionholder represent all the outstanding Share Options and the Optionholder has undertaken that if he exercises any Share Options, he will not accept the Offer and he will remain to be the legal and beneficial owner of such Shares pursuant to the Optionholder Undertaking, no additional sum shall be payable by the Offeror under the Offer. Accordingly, the Offer will be valued at HK\$278,502,906 in aggregate on a fully-diluted basis.

## **Financial resources available for the Offer**

The maximum amount of cash payable by the Offeror in respect of the Offer is approximately HK\$278,502,906. The Offeror intends to finance the cash consideration payable under the Offer with the Loan Facility granted by LIL to the Offeror. Kingston Corporate Finance, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptance of the Offer as set out in the section “Total consideration of the Offer” above.

## **Effects of accepting the Offer**

By validly accepting the Offer, the accepting Shareholders will sell their tendered Shares to the Offeror free from all encumbrances and together with all rights attached to them, including the rights to receive all dividends and distribution declared, made or paid on or after the date on which the Offer is made, being the date of posting of the Composite Document.

Acceptance of the Offer shall be irrevocable and shall not be capable of being withdrawn, subject to the Takeovers Code.

## **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Offer amounting to 0.1% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares, will be deducted from the amount payable to Shareholders who accept the Offer. The Offeror will bear its own portion of buyer's Hong Kong ad valorem stamp duty at the rate of 0.1% of the amount payable in respect of the relevant acceptances or if higher, the market value of the Shares, and will be responsible to account to the Stamp Office of Hong Kong for stamp duty payable for the sale and purchase of the Shares which are validly tendered for acceptance under the Offer.



## **Payment**

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event within seven business days (as defined under the Takeovers Code) of the date on which the duly completed acceptance of the Offer and the relevant documents of title in respect of such acceptance are received by or for the Offeror.

## **Overseas Shareholders**

As the Offer to persons not resident in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, the overseas Shareholders who are citizens or residents or nationals of a jurisdiction outside Hong Kong should satisfy themselves about and observe any applicable legal or regulatory requirements and where necessary seek legal advice. It is the responsibility of the overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith (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 jurisdiction for accepting the Offer).

**Any acceptance by any Shareholder will be deemed to constitute a representation and warranty from such Shareholder to the Offeror that the local laws and requirements have been complied with. The Shareholders should consult their professional advisers if in doubt.**

## **Taxation advice**

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 Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Kingston Securities, Kingston Corporate Finance and Veda Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## **Dealing and interests in the Company's securities**

Save for the Sale Shares, none of the Offeror, its ultimate beneficial owner, nor parties acting in concert with any of them has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of the MOU Announcement up to and including the date of this joint announcement.

## **Other arrangements**

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

- (i) save for the Sale Shares, none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them owned or had control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;

- (ii) save for Optionholder Undertaking, none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them have received any irrevocable commitment to accept or not to accept the Offer or to vote for or against the special deals, i.e. the Disposal and the Master Sale Agreement;
- (iii) pursuant to the Loan Facility, the Offeror has created a charge over the Sale Shares and the Offer Shares to be acquired by the Offeror from those Shareholders who accept the Offer in favour of Xinrong Fund, as a security for the Loan Facility. Under the abovementioned share charge, if there is any default under the Loan Facility, Xinrong Fund will be entitled to enforce the securities (including exercise of power of sale in respect of the Sale Shares and the Offer Shares) and all rights pertaining to such Shares will be transferred to Xinrong Fund. The share charge shall be continuing securities and shall remain in full force and effect until discharge when the Offeror repays all the outstanding amount under the Loan Facility;
- (iv) save for the Share Sale Agreement and the charge of the Sale Shares and the Offer Shares to be acquired by the Offeror through the Offer pursuant to the Loan Facility, there is no arrangement (whether by way of option, indemnity or otherwise) of the 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 Offer;
- (v) save for the Share Sale Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner 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 Offer and/or the special deals, i.e. the Disposal and the Master Sale Agreement; and
- (vi) none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them has entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company nor has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

**The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of Messis Capital to the Independent Board Committee and the Independent Shareholders, and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.**

## **F. INFORMATION OF THE OFFEROR**

The Offeror is an investment holding company incorporated in the BVI with limited liability on 31 March 2015. The Offeror is wholly and ultimately owned by Mr. Yang Zhihui (“**Mr. Yang**”). Mr. Yang is currently the controlling shareholder (as defined under the Listing Rules), as well as the chairman and an executive director of Landing International Development Limited (the shares of which are listed on the Main Board, stock code: 582). He is also the founder and chairman of board of directors of Anhui Landing Holding Group Co., Ltd# (安徽藍鼎控股集團有限公司), which is principally engaged in real estate development business in the PRC. He had been a director of Hubei Landing Holding Co., Ltd. (shares of which are listed on Shenzhen Stock Exchange, stock code: 000971) from September 2013 to December 2014. Mr. Yang has over 11 years of experience in property development in the PRC.

## **G. OFFEROR’S INTENTION ON THE COMPANY**

The Offeror intends to continue the principal business of the Remaining Group, which comprises of EMS business and distribution of communication products.

The Offeror will, following the completion of the Offer, conduct a detailed review of the business operations and financial position of the Remaining Group for the purpose of developing a sustainable business plan or strategy for the Remaining Group. In addition, in order to broaden its income source and to accelerate the Remaining Group’s growth and future development, the Offeror will explore and consider any other investment and business opportunities that may arise in the market from time to time that it considers value-enhancing to Shareholders and/or otherwise in the best interests of the Remaining Group. If any possible investment materializes, the Company will make further announcement(s) as and when required under the Listing Rules. However, as of the date of this joint announcement, no such investment or business opportunities have been identified nor has the Offeror entered into any agreement, arrangements, understandings, intention or negotiation in relation to the injection of any assets or business into the Remaining Group.

In order to strengthen the capital base of the Remaining Group so that it is in a better position to capture any investment and business opportunities that may arise, it is the Offeror’s intention to, as soon as practicable after the close of the Offer, procure the directors it nominates on the Board to consider raising fund from equity or equity-related securities. Further announcement(s) will be made by the Company once any of such fund raising proposals is put to the Board and approved. However, as of the date of this joint announcement, no concrete fund raising plan has been identified nor has the Offeror entered into any agreement, arrangements, understandings or negotiation in relation to any fund raising exercise.

Save as required for the implementation of the Offeror’s intention regarding the Remaining Group as aforementioned, the Offeror has no intention to terminate any employment of the employees of the Remaining Group or to make significant changes to any employment (except for the proposed nomination of new directors to the Board as detailed in the section headed “Proposed change to the Board of the Company” below) or to dispose of or re-allocate the Remaining Group’s assets which are not in the ordinary and usual course of business of the Remaining Group. Notwithstanding the foregoing, the Offeror has not entered into any agreement, arrangements, understandings or negotiations in relation to the continued employment of the employees, disposal and/or re-deployment of the assets (including fixed assets) of the Remaining Group, or termination or scaling down of any Remaining Group’s business.

The Offeror has no intention to privatise the Remaining Group and intends to maintain the listing of the Shares on the Stock Exchange. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the entire issued share capital of the Company will continue to be held by the public at all times.

**If, at the close of the 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:**

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

**the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.**

## **H. PROPOSED CHANGES TO THE BOARD OF THE COMPANY**

The Board comprises eight Directors, including five executive Directors and three independent non-executive Directors. Mr. Cheng, Mr. Poon Ka Lee, Barry, Mr. Ng Kim Yuen, Ms. Fok Pui Yin and Mr. Lee Kai Bon intend to resign as executive Directors and Mr. Au-Yang Cheong Yan, Peter, Mr. Kwan Pun Fong Vincent and Mr. Xue Quan intend to resign as independent non-executive Directors with effect from the earliest time permitted under the Takeovers Code (which is the first closing date of the Offer). Mr. Cheng, Mr. Ng Kim Yuen, Ms. Fok Pui Yin and Mr. Lee Kai Bon will remain as directors in subsidiaries of the Remaining Group. The Offeror intends to nominate new Director(s) for appointment to the Board with effect from the earliest time permitted under the Takeovers Code. Details of the change of the Board composition and the biographies of the proposed new Director(s) will be further announced in compliance with the Takeovers Code and the Listing Rules.

## **I. DISCLOSURE IN DEALINGS**

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined under the Takeovers Code and including a person who owns or controls 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 and other persons under Rule 22 of the Takeovers Code 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 of the Takeovers Code. 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."*

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

The Company has established the Independent Board Committee comprising all the independent non-executive Directors, namely Au-Yang Cheong Yan Peter, Kwan Pun Fong Vincent and Xue Quan, who have no direct or indirect interest in the Disposal, the Corporate Reorganisation, the Master Sale Agreement, the Share Sale and/or the Offer to advise the Independent Shareholders on the respective terms of the Disposal, the Master Sale Agreement and the Offer. Messis Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal, the Master Sale Agreement and transactions contemplated thereunder and to advise the Independent Board Committee in respect of the Offer. The appointment of Messis Capital as the independent financial adviser has been approved by the Independent Board Committee.

## **K. DESPATCH OF DOCUMENTS**

A circular containing, among other things, information regarding the Disposal, the Master Sale Agreement and transactions contemplated thereunder, the recommendation from the Independent Board Committee and the advice of Messis Capital on the Disposal, the Master Sale Agreement and transactions contemplated thereunder and the notice of the EGM will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules and the Takeovers Code. The circular of the Company is expected to be despatched to the Shareholders on or before 1 September 2015.

Pursuant to the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror is required to despatch an offer document in relation to the Offer and the Company is required to send to Shareholders within 14 days of the posting of the offer document a circular containing, among other things, financial information of the Company and information required under the Takeovers Code, together with any other information the Company considers to be relevant to enable Shareholders to reach a properly informed decision on the Offer. It is the intention of the Offeror and the Board that the offer document and the offeree board circular in respect of the Offer be combined in the Composite Document. Pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the consent of the Executive is required if the making of the Offer are subject to the prior fulfillment of certain pre-conditions and the pre-conditions cannot be fulfilled within the time period required by Rule 8.2 of the Takeovers Code. As the making of the Offer is conditional upon the Disposal Completion and the Share Sale Completion, it is expected that an application will be made to the Executive to extend the deadline for the despatch of the Composite Document, together with the form(s) of acceptance and transfer, to a date within 7 days upon the Disposal Completion and the Share Sale Completion or such later date as the Executive may approve. Further announcement will be made by the Offeror and the Company on the timing of the despatch of the Composite Document.

## **L. SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 22 May 2015 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 with effect from 9:00 a.m. on 12 August 2015.

## **M. DEFINITIONS**

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Affonso”	Affonso Limited, a company incorporated in the BVI with limited liability of the Company
“Affonso Group”	Affonso and its subsidiaries
“Alagona”	Alagona Holdings Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Alagona Group”	Alagona and its subsidiaries
“associate”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Business Day(s)”	a day on which banks in Hong Kong are open for business, other than:—  (i) a Saturday or a Sunday; or  (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Calibre”	Calibre Holdings Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Calibre Group”	Calibre and its subsidiaries
“Century Win”	Century Win Industrial Limited, interested in as to approximately 53.68% by Mr. Cheng and as to approximately 46.32% by Mrs. Cheng



“Circular”	the shareholders’ circular to be issued by the Company in relation to the Disposal requiring Independent Shareholders’ approval, together with the notice of the EGM
“Company”	Telefield International (Holdings) Limited 中慧國際控股有限公司, a company incorporated under the laws of Cayman Islands with limited liability (Stock code: 1143)
“Composite Document”	the composite offer and response document in respect of the Offer to be jointly despatched by the Offeror and the Company in accordance with the Takeovers Code containing, amongst other things, the detailed terms of the Offer
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Corporate Guarantees”	the Disposal Group Guarantee and Remaining Group Guarantee
“Corporate Reorganisation”	the transfer of the entire issued share capital in each of Affonso, Alagona, Calibre, Macar and Phoenix Choice to Noble Treasure
“Corporate Reorganisation Completion”	the completion of the Corporate Reorganisation
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the entire issued share capital of Noble Treasure (after Corporate Reorganisation Completion) by the Company to Dragon Fortune
“Disposal Agreement”	the conditional agreement dated 22 May 2015 entered into between the Company and Dragon Fortune in relation to the Disposal (as supplemented on 7 August 2015)
“Disposal Consideration”	consideration payable by Dragon Fortune for the purchase of the entire issued share capital of Noble Treasure (after Corporate Reorganisation Completion) and the Sale Loan under the Disposal Agreement, being HK\$169,800,000
“Disposal Completion”	the completion of the Disposal
“Disposal Completion Date”	within 5 Business Days after the day on which the last of the Disposal Conditions are fulfilled or waived (as the case may be) or such later date as the Company and Dragon Fortune may agree in writing

“Disposal Conditions”	the conditions to Disposal Completion as set out under the subsection headed “Disposal Conditions” under the section headed “A. THE DISPOSAL – MAJOR AND CONNECTED TRANSACTION AND SPECIAL DEAL” in this joint announcement
“Disposal Group”	Noble Treasure and its subsidiaries upon Corporate Reorganisation Completion
“Disposal Group Guarantee”	the guarantees and indemnities provided by the Company in favour of certain financial institutions for the benefits of certain members of the Disposal Group before the date when the Offeror’s nominees have been appointed as the new Directors
“Disposal Longstop Date”	31 October 2015 (or such later date as agreed by the Company and Dragon Fortune)
“Dragon Fortune”	Dragon Fortune International Limited, an investment holding company incorporated in Hong Kong with limited liability and is interested in as to approximately 59.25% of the issued Shares, also being one of the Shares Vendors and the purchaser under the Disposal
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, among others, the Disposal, the Master Sale Agreement and the transactions contemplated thereunder
“EMS”	electronic manufacturing services
“EMS Products”	wireless communication products, audio equipment products and other relevant electronic products and ancillary parts sold by the Remaining Group to the Disposal Group
“Encumbrances”	any pledge, charge, lien (otherwise than arising by statute or operation of law), option, other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale and purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any agreement for any of the same
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Gajah International”	Gajah International Pte Ltd, a supplier of TrekStor
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Au-Yang Cheong Yan Peter, Kwan Pun Fong Vincent and Xue Quan, which has been established to advise the Independent Shareholders on the Disposal, the Master Sale Agreement and the Offer (if they are made)
“Independent Shareholder(s)”	Shareholder(s) other than (i) Dragon Fortune, Telefield Charitable, Mr. Cheng, Mrs. Cheng, Century Win, Other Vendor Shareholders, LIL, Xinrong Fund, their respective associates and parties acting in concert with any of them; and (ii) those who are interested in or involved in the Disposal, the Corporate Reorganisation, the Master Sale Agreement, the Share Sale and/or the Offer
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a licensed corporation to conduct type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offer
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to conduct type 1 (dealing in securities) regulated activity under the SFO
“Last Trading Day”	21 May 2015, being the last trading day prior to the suspension of trading in the Shares on 22 May 2015 pending the publication of this joint announcement
“LIL”	Landing International Limited, the controlling shareholder of Landing International Development Limited, whose shares are listed on the Main Board with stock code 582
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Facility”	the standby facility of HK\$830,000,000 granted by LIL to the Offeror pursuant to a loan facility agreement to finance the financial obligations of the Offeror under the Share Sale Agreement and the Offer
“Macar”	Macar Holdings Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Macar Group”	Macar and its subsidiaries
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange

“Master Sale Agreement”	the master electronics manufacturing services agreement dated 7 August 2015 between Noble Treasure and Telefield Holdings in relation to the provision of EMS Products by the Remaining Group to the Disposal Group
“Messis Capital”	Messis Capital Limited, the independent financial adviser to advise (i) the Independent Board Committee and the Independent Shareholders in respect of the Disposal, the Master Sale Agreement and transactions contemplated thereunder; and (ii) the Independent Board Committee in respect of the Offer
“MOU”	the memorandum of understanding dated 23 April 2015 and made between the Shares Vendors and the Offeror in relation to the sale and purchase of the Sale Shares
“MOU Announcement”	announcement of the Company dated 27 April 2015 in relation to the MOU which was issued pursuant to Rule 3.7 of the Takeovers Code
“Mr. Cheng”	Mr. Cheng Han Ngok Steve, an executive Director and chairman of the Company and ultimately interested in approximately 53.30% in each of Dragon Fortune and Telefield Charitable
“Mrs. Cheng”	Ms. Ma Mei Han, Elite, wife of Mr. Cheng
“Noble Treasure”	Noble Treasure Holdings Limited (尚寶控股有限公司), a company incorporated in BVI and is directly holding the entire issued share capital of each of Affonso, Alagona, Calibre, Macar and Phoenix Choice
“Noble Treasure Shares”	the entire issued shares of Noble Treasure
“Offer”	the possible mandatory unconditional cash offer to be made by Kingston Securities on behalf of the Offeror to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) in accordance with the Takeovers Code
“Offer Price”	the price at which the Offer will be made, being HK\$2.031 per Offer Share
“Offer Period”	has the meaning ascribed to it under the Takeovers Code
“Offer Share(s)”	Share(s) not already owned or agreed to be acquired by the Offeror or parties acting in concert with it
“Offeror”	Power Port Holdings Limited, a company incorporated in the BVI with limited liability, which is wholly and beneficially owned by Mr. Yang Zhihui
“Optionholder”	the registered holder of the Share Options, Mr. Poon Ka Lee Barry, an executive Director

“Optionholder Undertaking”	a written undertaking dated 22 May 2015 from the Optionholder to the Offeror and the Company that (a) at any time from the date of the Share Sale Agreement up to the Share Sale Completion, the Optionholder will not exercise any outstanding Share Options; (b) the Optionholder will not accept any general offer on the Share Options; and (c) if the Optionholder exercises any Share Options during the period between Share Sale Completion and the close of the Offer pursuant to the terms of the Takeovers Code, the Optionholder will ensure and procure that all the Shares to be issued to him pursuant thereto will be and will remain to be legally and beneficially owned by him from the date of exercise of the Share Options up to and including the close of the Offer pursuant to the terms of the Takeovers Code and the Optionholder will not accept any Offer
“Other Vendor Shareholders”	Lee Kai Bon, Ng Kim Yuen, Fok Pui Yin, Sum Kwok Fai, Wong Sik Hung, Chiu King Yim, Ko Mee Ling, Tam Kam Fong and Poon Ka Lee Barry
“Overseas Shareholders”	Shareholder(s) whose address(es) as stated in the register of members of the Company is or are outside Hong Kong
“Phoenix Choice”	Phoenix Choice Holdings Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Phoenix Choice Group”	Phoenix Choice and its subsidiaries
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RCA”	a trademark managed by Technicolor Inc.
“Remaining Group”	being the Company and its subsidiaries upon Disposal Completion
“Remaining Group Guarantees”	means guarantees and indemnities provided by the Company in favour of certain financial institutions for the benefits of certain members of the Group before the date when the Offeror’s nominees have been appointed as the new Directors
“Sale Loan”	the net amount owed by the Disposal Group to the Remaining Group as at the Disposal Completion
“Sale Shares”	an aggregate of 274,588,000 Shares, representing approximately 66.69% of the entire issued share capital of the Company as at the date of the Share Sale Agreement, to be acquired by the Offeror from the Shares Vendors pursuant to the terms and conditions of the Share Sale Agreement
“SFC”	the Securities and Futures Commission of Hong Kong



“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Charge 1”	the Share Charge dated 22 May 2015 entered into between Dragon Fortune and the Offeror
“Share Charge 2”	the Share Charge dated 22 May 2015 entered into between Telefield Charitable and the Offeror
“Share Charges”	the Share Charge 1 and the Share Charge 2
“Share Options”	the outstanding share options granted by the Company pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 28 June 2012
“Share Sale”	the sale and purchase of the Sale Shares pursuant to the Share Sale Agreement
“Share Sale Agreement”	the conditional agreement dated 22 May 2015 entered into between the Shares Vendors and the Offeror in relation to the Share Sale (as supplemented on 7 and 11 August 2015)
“Share Sale Completion”	the completion of the Share Sale Agreement pursuant to the terms and conditions contained therein
“Share Sale Completion Date”	the fifth Business Day after the day on which the last of the Share Sale Conditions are fulfilled or waived (as the case may be) or such later date as the Offeror and the Shares Vendors may agree in writing
“Share Sale Conditions”	the conditions to Share Sale Completion as set out under the subsection headed “Share Sale Conditions” under the section headed “C. The Share Sale” in this joint announcement
“Share Sale Longstop Date”	31 October 2015 (or such later date as may be agreed between the Shares Vendors and the Offeror in writing)
“Shares Vendors”	Dragon Fortune and Telefield Charitable
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Telefield Charitable”	Telefield Charitable Fund Limited, a charitable organisation incorporated in Hong Kong and is interested in as to approximately 7.44% of the issued Shares, also being one of the Shares Vendors
“Telefield Holdings”	Telefield Holdings Limited, a company incorporated in BVI and a direct wholly owned subsidiary of the Company
“TrekStor”	TrekStor GmbH, a non-wholly owned subsidiary of the Company and the Disposal Group upon Corporate Reorganisation Completion
“TrekStor Dispute”	the dispute between TrekStor and Gajah International, in relation to a sum of USD2,604,070.8 (equivalent to approximately HK\$20,311,752.24) and Gajah International’s allegation against the Company that the Company should be liable to the said sum of USD2,604,070.8 (equivalent to approximately HK\$20,311,752.24) pursuant to the TrekStor Guarantee
“TrekStor Guarantee”	the corporate guarantee and indemnity in terms satisfactory to the Offeror to be given by TrekStor in favour of the Company and the Offeror in relation to the TrekStor Previous Guarantee and the TrekStor Dispute on or before Sale Share Completion
“TrekStor Previous Guarantee”	the corporate guarantee provided by the Company to Gajah International Pte Ltd for TrekStor, pursuant to the terms of letter of guarantee dated 18 August 2011
“Xinrong Fund”	Xinrong Fund Limited, a limited liability company incorporated in the Cayman Islands, which is a loan note subscriber of LIL and a third party independent of the Group and its connected persons
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of directors  
**Power Port Holdings Limited**

**Yang Zhihui**  
*Director*

By Order of the Board  
**TELEFIELD INTERNATIONAL  
(HOLDINGS) LIMITED**  
**Cheng Han Ngok Steve**  
*Chairman*

Hong Kong, 11 August 2015

*As at the date of this joint announcement, Mr. Yang Zhihui is the sole director of the Offeror.*

*As at the date of this joint announcement, the executive directors are Cheng Han Ngok Steve, Poon Ka Lee Barry, Ng Kim Yuen, Fok Pui Yin and Lee Kai Bon, and the independent non-executive directors are Au-Yang Cheong Yan Peter, Kwan Pun Fong Vincent and Xue Quan.*

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

*All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the 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.*