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**Jimei 集美 지메이**

**COSMIC LEADER HOLDINGS LIMITED**  
*(Incorporated in the Republic of Seychelles with limited liability)*

**JIMEI INTERNATIONAL ENTERTAINMENT GROUP LIMITED**  
**集美國際娛樂集團有限公司**  
*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 1159)

## **JOINT ANNOUNCEMENT**

- (1) ACQUISITION OF SHARES IN JIMEI INTERNATIONAL ENTERTAINMENT GROUP LIMITED;**
  - (2) MANDATORY UNCONDITIONAL CASH OFFERS BY ZHONGTAI INTERNATIONAL CAPITAL LIMITED ON BEHALF OF COSMIC LEADER HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES AND OUTSTANDING CONVERTIBLE BONDS OF JIMEI INTERNATIONAL ENTERTAINMENT GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY COSMIC LEADER HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH IT);**
  - (3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER;**
- AND**
- (4) RESUMPTION OF TRADING**

**Joint financial advisers to the Offeror**

**AMASSE CAPITAL**  
**寶 積 資 本**

 **中泰國際**  
ZHONGTAI INTERNATIONAL

**Financial adviser to the Company**

  
**Optima Capital Limited**

**Independent financial adviser to the Company**

 **紅日資本有限公司**  
RED SUN CAPITAL LIMITED

## **THE SHARE SALE AND PURCHASE AGREEMENT**

The Company was notified by the Vendor that on 6 April 2017 (after trading hours), the Vendor (as vendor), Dr. Lam (as guarantor) and the Offeror (as purchaser) entered into the Share Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Offeror agreed to purchase an aggregate of 369,308,914 Shares, representing approximately 65.04% of the entire issued share capital of the Company as at the date of the Share Sale and Purchase Agreement, for a Consideration of HK\$443,170,696.80 (being HK\$1.20 per Share).

The Completion took place on 7 April 2017.

## **THE IRREVOCABLE UNDERTAKINGS**

Pursuant to the New Elect Irrevocable Undertaking, New Elect has irrevocably undertaken to the Offeror that it will not accept the Share Offer to be made by the Offeror, and that, from the date of the New Elect Irrevocable Undertaking until the close of the Offers, it will not, whether directly or indirectly, sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the Shares held by New Elect or any interest in any of the Shares held by New Elect. As such, the Share Offer will not be extended to New Elect.

Pursuant to the Vendor Irrevocable Undertaking, the Vendor has irrevocably undertaken to the Offeror that it will not accept any general offer to be made by the Offeror with respect to the outstanding Convertible Notes, and that from the date of the Vendor Irrevocable Undertaking until the close of the Offers, (i) it will not, whether directly or indirectly, sell, transfer, encumber or otherwise dispose of the Convertible Notes or convert any part or the whole Convertible Notes into Shares without the prior written consent of the Offeror; and (ii) in the event of any sale or transfer or disposal of by the Vendor, the Vendor will procure that the transferee(s) of the relevant Convertible Notes provide an undertaking to the Offeror on substantially the same terms and conditions as the one provided by the Vendor.

In light of the Vendor Irrevocable Undertaking, no offer will be made for the Convertible Notes as all the outstanding Convertible Notes are held by the Vendor.

## **MANDATORY UNCONDITIONAL CASH OFFERS**

Immediately prior to the Completion, the Offeror and its Concert Parties (other than the Sale Shares held by the Vendor) held 49,894,000 Shares in aggregate, representing approximately 8.79% of the entire issued share capital of the Company as at the date of the Share Sale and Purchase Agreement and did not hold any convertible securities (other than the Convertible Notes held by the Vendor), options, warrants or derivatives in the Company. Immediately after the Completion, the Offeror and its Concert Parties own in aggregate 419,202,914 Shares, representing approximately 73.83% of the entire issued share capital of the Company as at the date of this joint announcement, and the Convertible Notes. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make mandatory unconditional cash offers for (i) all the issued Shares not already owned or agreed to be acquired by it and its Concert Parties; and (ii) all the outstanding Convertible Bonds pursuant to Rule 13.1 of the Takeovers Code.

Zhongtai Capital will, on behalf of the Offeror, make the Offers on the following basis:

### **The Share Offer**

**For each Offer Share..... HK\$1.20 in cash**

The Share Offer Price of HK\$1.20 per Offer Share is the same as the price payable by the Offeror for each Sale Share pursuant to the Share Sale and Purchase Agreement.

### **The Convertible Bonds Offer**

**For every HK\$100,000 face value  
of the Convertible Bonds. .... HK\$24,000 in cash**

The Convertible Bonds Offer will not apply to any Convertible Bonds which are or have been converted into Shares prior to the close of the Convertible Bonds Offer.

As at the date of this joint announcement, there are outstanding Convertible Bonds in the principal amount of HK\$315,000,000 which carry rights to convert into 63,000,000 new Shares in full based on the existing conversion price of HK\$5.00 per conversion share, and none of the Offeror and its Concert Parties has any interest in the Convertible Bonds.

The proposed offer price for the Convertible Bonds is HK\$24,000 for every HK\$100,000 face value of the Convertible Bonds, determined in accordance with Rule 13 of and Practice Note 6 to the Takeovers Code as the “see-through” consideration for the Convertible Bonds, being the number of new Shares which the Convertible Bonds could be convertible into (i.e. 63,000,000 new Shares) multiplied by the Share Offer Price of HK\$1.20 per Offer Share, valuing the total Convertible Bonds Offer at HK\$75,600,000.

As at the date of this joint announcement, there are 567,850,514 Shares in issue. Save for the Convertible Notes and the Convertible Bonds, the Company does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares.

#### **Confirmation of financial resources**

The maximum cash consideration payable by the Offeror under the Offers would be HK\$246,177,120.

Amasse and Zhongtai Capital, as the joint financial advisers to the Offeror in respect of the Offers, are satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for full acceptance of the Offers.

#### **Intention of the Offeror**

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

Principal terms of the Offers are set out in the section headed “Mandatory unconditional cash offers” in this joint announcement and further details will be set out in the Composite Document to be posted.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror will despatch an offer document in relation to the Offers. The Offeror and the Company intend to combine the offer document and the Company’s board circular in the Composite Document to be posted. Such Composite Document setting out, among others, (i) further details of the Offers; (ii) the recommendation from the Independent Board Committee; (iii) the letter from the Independent Financial Adviser in respect of the Offers; and (iv) the relevant form(s) of acceptance, will be despatched to the Offer Shareholders and the Convertible Bondholders within 21 days of the date of this joint announcement.

## **ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising Mr. Daniel Domingos António, Mr. Kwok Chi Chung and Mr. Chow Wing Tung, being all the independent non-executive Directors, has been established by the Company to advise the Offer Shareholders and the Convertible Bondholders in respect of the Offers. Each of the members of the Independent Board Committee has no direct or indirect interest in the Offers and has no conflict of interest in respect of the Offers. The Board considers that members of the Independent Board Committee are therefore independent and able to consider the terms of the Offers and make recommendation to the Offer Shareholders and the Convertible Bondholders.

Red Sun Capital has been appointed by the Company with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to acceptance of the Offers.

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

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 7 April 2017 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 20 April 2017.

### **WARNING**

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

## **THE SHARE SALE AND PURCHASE AGREEMENT**

The Company was notified by the Vendor that on 6 April 2017 (after trading hours), the Vendor (as vendor), Dr. Lam (as guarantor) and the Offeror (as purchaser) entered into the Share Sale and Purchase Agreement. Principal terms of the Share Sale and Purchase Agreement are set out below:

### **Date**

6 April 2017

### **Parties**

Vendor: Reach Luck International Limited

Offeror: Cosmic Leader Holdings Limited

Guarantor: Dr. Lam Yin Lok, the legal and beneficial owner of the entire issued capital of the Vendor, who has irrevocably undertaken to guarantee the due and punctual performance by the Vendor of all its obligations under the Share Sale and Purchase Agreement.

Prior to the entering into of the Share Sale and Purchase Agreement, the Offeror and its Concert Parties (other than (i) the Sale Shares and the Convertible Notes held by the Vendor; and (ii) 49,693,600 Shares held by Mega Start) held 200,400 Shares in aggregate, representing approximately 0.04% of the issued share capital of the Company as at the date of the Share Sale and Purchase Agreement. Save and except for the shareholding in the Company as aforesaid, prior to the entering into of the Share Sale and Purchase Agreement, the Offeror and its ultimate beneficial owners were third parties independent of, and not connected with, either the Company or any of its connected persons. The Offeror became a controlling shareholder of the Company immediately following the Completion that took place on 7 April 2017. Further information of the Offeror is set out in the section headed “Information of the Offeror” in this joint announcement.

### **The Sale Shares**

Pursuant to the Share Sale and Purchase Agreement, the Offeror agreed to purchase and the Vendor agreed to sell the Sale Shares, being 369,308,914 Shares, representing approximately 65.04% of the entire issued share capital of the Company prior to the Completion. The Sale Shares were, immediately before the Completion, 100% legally and beneficially owned by the Vendor. Pursuant to the terms of the Share Sale and Purchase Agreement, the Sale Shares acquired by the Offeror shall be free from all Encumbrances and together with all rights and benefits attached and accrued to them on the Completion Date.

### **Consideration and payment terms**

The Consideration for the Sale Shares pursuant to the Share Sale and Purchase Agreement was HK\$443,170,696.80 (being HK\$1.20 per Sale Share), which was determined after arm’s length negotiations between the Offeror and the Vendor having taken into account, among others, (i) the historical financial performance of the Group, in particular, the consecutive loss for the past three years ended 31 December 2016; (ii) the premium of approximately 531.58% represented by the sale price of HK\$1.20 per Sale Share over the net asset value of the Group per Share of approximately HK\$0.19 as at 31 December 2016; (iii) the potential risk that the net assets of the Group would be reduced having considered the ageing of the Receivables of approximately HK\$227,037,000; and (iv) the fact that the Offeror can obtain a controlling interest in the Company upon the Completion. The Consideration payable by the Offeror in respect of the Share Sale will be fully paid by the Offeror to the Vendor in the following manner:

- (a) the First Batch Consideration of HK\$222,000,000, being approximately 50.09% of the Consideration, was satisfied by transferring immediately available cash (in Hong Kong dollars) to the account designated by the Vendor upon the Completion; and
- (b) the Second Batch Consideration of up to HK\$221,170,696.80, being the balance of the Consideration, will be satisfied by the Offeror on 5 January 2018 subject to the following adjustments:
  - (1) if the Group recovers at least HK\$191,170,696.80 of the Receivables during the period from the date of the Share Sale and Purchase Agreement to 31 December 2017, the full balance of the Second Batch Consideration of HK\$221,170,696.80 shall be payable by the Offeror;
  - (2) if the Group recovers less than HK\$191,170,696.80 of the Receivables during the period from the date of the Share Sale and Purchase Agreement to 31 December 2017, the amount of the balance of the Second Batch Consideration will be reduced by deducting the difference between the HK\$191,170,696.80 and the amount of the Receivables received by the Group during the period from the date of the Share Sale and Purchase Agreement to 31 December 2017 from the amount of HK\$221,170,696.80; or
  - (3) if the Group does not recover any Receivables during the period from the date of the Share Sale and Purchase Agreement to 31 December 2017, the amount of the balance of the Second Batch Consideration will be reduced to HK\$30,000,000.

The Second Batch Consideration shall be paid in Hong Kong dollars or equivalent amount in RMB, or by any other payment method as agreed between the parties.

The Offeror and Zhongtai Financial entered into the Subscription Agreement, pursuant to which, among other things, Zhongtai Financial agreed to subscribe for the First Tranche Notes issued by the Offeror in the principal amount of up to HK\$220,000,000. The Offeror had utilised the principal amount raised from the issue of the First Tranche Notes for settlement of the First Batch Consideration in the amount of HK\$220,000,000 to the Vendor on the Completion Date.



Further details of the Subscription Agreement are set out in the paragraph headed “Confirmation of financial resources” under the section headed “Mandatory unconditional cash offers” below in this joint announcement.

By virtue of the deferred payment of the Second Batch Consideration pursuant to the Share Sale and Purchase Agreement as mentioned above, the Vendor and Dr. Lam are presumed to be parties acting in concert with the Offeror under class (9) of the presumptions in the definition of acting in concert under the Takeovers Code.

By virtue of Mr. Chau providing a guarantee for the Offeror under the Subscription Agreement, Mega Start and Mr. Chau are parties acting in concert with the Offeror, further details of which are set out in the paragraph headed “Confirmation of financial resources” under the section headed “Mandatory unconditional cash offers” below in this joint announcement.

The Vendor and the Offeror confirmed that, save for the Consideration, neither the Vendor nor Dr. Lam has received or will receive any other consideration or benefits in whatever form from the Offeror and/or its Concert Parties (other than the Vendor and Dr. Lam).

Each of the Vendor, Dr. Lam, New Elect, Mr. Hung Ching Fung, Mega Start, Mr. Chau and the Offeror confirmed that there is no special deal under Rule 25 of the Takeovers Code between (i) the Vendor, Dr. Lam, New Elect, Mr. Hung Ching Fung, Mega Start, Mr. Chau or any other Shareholders, on one hand; and (ii) the Offeror and/or its Concert Parties (excluding the Vendor, Dr. Lam, Mega Start and Mr. Chau), on the other hand.

## **Indemnity**

Subject to the terms and limitations under the Share Sale and Purchase Agreement, the Vendor agreed to indemnify the Offeror and the companies comprising the Group from and against all losses, expenses and fees (including reasonable legal fees and/or other expenses) arising out of, suffered by or incurred by the Offeror in respect of, among others, (i) breach of any of the warranties given by the Vendor (including settlement in respect of claims for any such breach); and (ii) the Vendor failing to perform their obligations under the Share Sale and Purchase Agreement.

## **Completion**

The Completion took place on 7 April 2017.

## **THE IRREVOCABLE UNDERTAKINGS**

New Elect is an investment holding company incorporated in the BVI with limited liability and is wholly owned by Mr. Hung Ching Fung, an executive Director, and holds 6,500,000 Shares, representing approximately 1.14% of the entire issued share capital of the Company as at the date of this joint announcement. New Elect has given the New Elect Irrevocable Undertaking, pursuant to which it has irrevocably undertaken to the Offeror that it will not accept the Share Offer to be made by the Offeror, and that, from the date of the New Elect Irrevocable Undertaking until the close of the Offers, it will not, whether directly or indirectly, sell, transfer, charge, pledge or grant any option over or otherwise dispose of or create any encumbrances in respect of any of the Shares held by New Elect or any interest in any of the Shares held by New Elect. As such, the Share Offer will not be extended to New Elect.

Pursuant to the Vendor Irrevocable Undertaking, the Vendor has irrevocably undertaken to the Offeror that it will not accept any general offer to be made by the Offeror with respect to the outstanding Convertible Notes, and that from the date of the Vendor Irrevocable Undertaking until the close of the Offers, (i) it will not, whether directly or indirectly, sell, transfer, encumber or otherwise dispose of the Convertible Notes or convert any part or the whole Convertible Notes into Shares without the prior written consent of the Offeror; and (ii) in the event of any sale or transfer or disposal of by the Vendor, the Vendor will procure that the transferee(s) of the relevant Convertible Notes provide an undertaking to the Offeror on substantially the same terms and conditions as the one provided by the Vendor.

In light of the Vendor Irrevocable Undertaking, no offer will be made for the Convertible Notes as all the outstanding Convertible Notes are held by the Vendor.

## **MANDATORY UNCONDITIONAL CASH OFFERS**

Immediately prior to the Completion, the Offeror and its Concert Parties (other than the Sale Shares held by the Vendor) held 49,894,000 Shares in aggregate, representing approximately 8.79% of the entire issued share capital of the Company as at the date of the Share Sale and Purchase Agreement and did not hold any convertible securities (other than the Convertible Notes held by the Vendor), options, warrants or derivatives in the Company. Immediately after the Completion, the Offeror and its Concert Parties owned in aggregate 419,202,914 Shares, representing approximately 73.83% of the entire issued share capital of the Company as at the date of this joint announcement, and the Convertible Notes. The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make mandatory unconditional cash offers for (i) all the issued Shares not already owned or agreed to be acquired by it and its Concert Parties; and (ii) all the outstanding Convertible Bonds pursuant to Rule 13.1 of the Takeovers Code.

As at the date of this joint announcement, the outstanding Convertible Bonds comprise the 8% coupon rate unsecured convertible bonds issued by the Company on 2 December 2015 which are due on 1 December 2018 in the aggregate principal amount of HK\$315,000,000 and could be convertible into 63,000,000 Shares at the existing conversion price of HK\$5.00 per conversion share.

Zhongtai Capital will, on behalf of the Offeror, make the Offers on the following basis:

### **The Share Offer**

**For each Offer Share..... HK\$1.20 in cash**

The Share Offer Price of HK\$1.20 per Offer Share is the same as the price payable by the Offeror for each Sale Share pursuant to the Share Sale and Purchase Agreement.

The Share Offer will be extended to all Offer Shareholders in accordance with the Takeovers Code. The Shares to be acquired under the Share Offer shall be acquired free from all Encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions declared, made or paid, if any, on or after the date on which the Share Offer is made.

## **The Convertible Bonds Offer**

**For every HK\$100,000 face value  
of the Convertible Bonds . . . . . HK\$24,000 in cash**

The Convertible Bonds will be acquired as fully-paid and free from all Encumbrances whatsoever and together with all rights now or hereafter attaching or accruing to them on or after the date on which the Convertible Bonds Offer is made.

The Convertible Bonds Offer will not apply to any Convertible Bonds which are or have been converted into Shares prior to the close of the Convertible Bonds Offer.

As at the date of this joint announcement, there are outstanding Convertible Bonds in the principal amount of HK\$315,000,000 which carry rights to convert into 63,000,000 new Shares in full based on the existing conversion price of HK\$5.00 per conversion share, and none of the Offeror and its Concert Parties has any interest in the Convertible Bonds.

The proposed offer price for the Convertible Bonds is HK\$24,000 for every HK\$100,000 face value of the Convertible Bonds, determined in accordance with Rule 13 of and Practice Note 6 to the Takeovers Code as the “see-through” consideration for the Convertible Bonds, being the number of new Shares which the Convertible Bonds could be convertible into (i.e. 63,000,000 new Shares) multiplied by the Share Offer Price of HK\$1.20 per Offer Share, valuing the total Convertible Bonds Offer at HK\$75,600,000.

The Offers are unconditional in all respects.

As at the date of this joint announcement, there are 567,850,514 Shares in issue. Save for the Convertible Notes and the Convertible Bonds, the Company does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares.

## **Comparison of the Share Offer Price**

The Share Offer Price of HK\$1.20 per Offer Share represents:

- (a) a discount of approximately 81.82% to the closing price of HK\$6.60 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (b) a discount of approximately 80.20% to the average closing price of approximately HK\$6.06 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a discount of approximately 79.49% to the average closing price of approximately HK\$5.85 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to and including the Last Trading Day; and
- (d) a premium of approximately 531.58% over the consolidated net assets per Share of approximately HK\$0.19 as at 31 December 2016, calculated based on the Group's consolidated net assets attributable to the owners of the Company of approximately HK\$108,370,000 as at 31 December 2016 and 567,850,514 Shares in issue as at the date of this joint announcement.

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

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately up to and including the Last Trading Day were HK\$6.60 per Share on 6 April 2017 and HK\$1.38 per Share on 10 January 2017, respectively.

### **Value of the Offers**

Assuming the Offers are accepted in full on the basis that (i) none of the conversion rights attaching to the Convertible Bonds were exercised prior to the close of the Offers; and (ii) there were no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offers, a total of 142,147,600 issued Shares (representing the Shares not already owned or agreed to be acquired by the Offeror and its Concert Parties and excluding 6,500,000 Shares held by New Elect, which has given the New Elect Irrevocable Undertaking) would be subject to the Share Offer and the cash consideration payable by the Offeror under the Share Offer would be approximately HK\$170,577,120, whereas the cash consideration payable by the Offeror under the Convertible Bonds Offer would be HK\$75,600,000, aggregating to HK\$246,177,120.

Assuming that (i) all the conversion rights attaching to the Convertible Bonds were exercised in full prior to the close of the Offers and there would be no outstanding Convertible Bonds remaining for acceptance under the Convertible Bonds Offer; and (ii) there were no other change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offers, a total of 205,147,600 Shares (representing the Shares not already owned or agreed to be acquired by the Offeror and its Concert Parties, including 63,000,000 new Shares to be issued pursuant to the exercise in full of the conversion rights attaching to the Convertible Bonds but excluding 6,500,000 Shares held by New Elect, which has given the New Elect Irrevocable Undertaking) would be subject to the Share Offer and the maximum cash consideration payable by the Offeror under the Share Offer would be HK\$246,177,120.

### **Confirmation of financial resources**

The Offeror has been granted the Margin Facility of HK\$250,000,000 from Zhongtai Securities for financing the maximum consideration payable by the Offeror in respect of the Offers. Pursuant to the arrangement of the Margin Facility, the Offeror has agreed to pledge the Shares to be acquired pursuant to the Share Offer (if any) to Zhongtai Securities as collateral.

In addition, the Offeror and Zhongtai Financial have entered into the Subscription Agreement, pursuant to which Zhongtai Financial has agreed to subscribe for the First Tranche Notes in the principal amount of up to HK\$220,000,000 and the Second Tranche Notes in the principal amount of up to HK\$250,000,000. The First Tranche Notes with a principal amount of HK\$220,000,000 were issued on 7 April 2017 and the proceeds were used by the Offeror to settle the First Batch Consideration. The proceeds from the issue of the Second Tranche Notes will be used by the Offeror to finance the settlement of such loans that are drawn under the Margin Facility in respect of the Offers and become due. Pursuant to the terms of the Subscription Agreement, among other things, the Sale Shares beneficially owned by the Offeror, and the 49,693,600 Shares beneficially owned by Mega Start, which is wholly owned by Mr. Chau, were charged, and the Shares to be acquired by the Offeror pursuant to the Share Offer will be charged, in favour of Zhongtai Financial to secure the performance of the Offeror under the Subscription Agreement, the First Tranche Notes and the Second Tranche Notes. In addition, Mr. Chau has provided a personal guarantee to Zhongtai Financial to guarantee the performance of the Offeror under the Subscription Agreement, the First Tranche Notes and the Second Tranche Notes.

Ms. Chen Hong, one of the shareholders of the Offeror, is an acquaintance of Mr. Chau. Mr. Chau noted that Dr. Lam had an intention to sell his Shares. As one of the executive Directors and the second largest Shareholder, Mr. Chau introduced Ms. Chen Hong and her business partner, Mr. Yan Xu, to Dr. Lam, with a view to facilitating the Share Sale, including the obtaining of sufficient funding from Zhongtai Financial by the Offeror. As Mr. Chau considers that (i) Mr. Yan Xu and Ms. Chen Hong share similar corporate vision with him and therefore are suitable investors; and (ii) Mr. Yan Xu and Ms. Chen Hong have strong financial capabilities, Mr. Chau agreed to provide guarantee for the Offeror to expedite the Share Sale and the obtaining of sufficient funding. Each of Mr. Yan Xu, Ms. Chen Hong and the Offeror confirms that none of them takes any directions or instructions from any other persons in relation to the Sale Shares and/or the Offers.

The consideration payable by the Offeror in respect of the Offers will be wholly financed by the Margin Facility. After the close of the Offers, the Offeror will request Zhongtai Financial to subscribe for the Second Tranche Notes in such amount to settle the actual loan amount that is drawn under the Margin Facility in respect of the Offers and becomes due and payable by the Offeror.

Amasse and Zhongtai Capital, as the joint financial advisers to the Offeror in respect of the Offers, are satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for full acceptance of the Offers.

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

Acceptance of the Share Offer by any Offer Shareholders will be deemed to constitute a warranty by such person that all Shares sold by such person under the Share Offer are free from all Encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions declared, made or paid, if any, on or after the date on which the Share Offer is made.

Acceptance of the Convertible Bonds Offer by any Convertible Bondholders will be deemed to constitute a warranty by such person that all Convertible Bonds sold by such person under the Convertible Bonds Offer are free from all Encumbrances whatsoever.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

## **Payment**

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but within seven (7) Business Days of the date of receipt of a duly completed acceptance. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offers complete and valid.

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

## **Overseas Shareholders and Overseas Convertible Bondholders**

The Offeror intends to make the Offers available to all Offer Shareholders and all Convertible Bondholders, including those who are residents outside Hong Kong.

As the Offers to persons who are not residents in Hong Kong may be affected by the laws of the relevant jurisdiction in which they reside, the Overseas Offer Shareholders and the Overseas Convertible Bondholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas Offer Shareholders and the Overseas Convertible Bondholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such accepting Overseas Offer Shareholders or Overseas Convertible Bondholders in respect of such jurisdictions).

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



## **Stamp duty**

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Share Offer amounting to HK\$1.00 for every HK\$1,000 or part thereof of the amount payable in respect of relevant acceptances by the Offer Shareholders, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the Offer Shareholders who accept the Share Offer. The Offeror will then pay the stamp duty so deducted to the Stamp Office of Hong Kong. The Offeror will bear buyer's ad valorem stamp duty.

The seller's Hong Kong ad valorem stamp duty (if any) arising in connection with acceptance of the Convertible Bonds Offer amounting to HK\$1.00 for every HK\$1,000 or part thereof of the amount payable in respect of relevant acceptances by the Convertible Bondholders, or (if higher) the value of the Convertible Bonds as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the Convertible Bondholders who accept the Convertible Bonds Offer. The Offeror will then pay the stamp duty (if any) so deducted to the Stamp Office of Hong Kong. The Offeror will bear buyer's ad valorem stamp duty (if any).

## **Taxation advice**

The Offer Shareholders and the Convertible Bondholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, its Concert Parties, the Company, Amasse, Zhongtai Capital and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

## **DEALING AND INTERESTS IN THE COMPANY'S SECURITIES**

As at the date of this joint announcement, the Offeror and its Concert Parties hold 419,202,914 Shares in aggregate, representing approximately 73.83% of the entire issued share capital of the Company, and the Convertible Notes.

Save for (i) the conversion of the Convertible Notes in the principal amount of HK\$26,000,000 at a conversion price of HK\$0.35 per conversion share into 74,285,714 Shares by the Vendor on 30 March 2017; (ii) the Share Sale; and (iii) the disposal of the Shares by Ms. Chen Hong as set out below, the Offeror and its Concert Parties have not dealt in the Shares, convertible securities, warrants, options or derivatives of the Company during the six-month period preceding the Last Trading Day and up to and including the date of this joint announcement:

<b>Name</b>	<b>Number of Shares sold</b>	<b>Dealing date</b>	<b>Sale price per Share</b>
Ms. Chen Hong	142,000	6 February 2017	100,000 Shares at HK\$3.69 per Share 42,000 Shares at HK\$3.70 per Share

## **OFFEROR’S INTERESTS IN SECURITIES OF THE COMPANY**

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

- (a) save for the aggregate of 419,202,914 Shares and the Convertible Notes held by the Offeror and its Concert Parties, none of the Offeror nor its Concert Parties own or have control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (b) save for (i) the conversion of the Convertible Notes in the principal amount of HK\$26,000,000 at a conversion price of HK\$0.35 per conversion share into 74,285,714 Shares by the Vendor on 30 March 2017; (ii) the Share Sale; and (iii) the disposal of 142,000 Shares by Ms. Chen Hong on 6 February 2017 as disclosed in the section headed “Dealing and interests in the Company’s securities” in this joint announcement, none of the Offeror nor its Concert Parties have dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior to the commencement of the Offer Period, up to and including the date of this joint announcement;

- (c) save for the Share Sale and Purchase Agreement, the Irrevocable Undertakings, the Margin Facility (whereby the Offeror has agreed to pledge the Shares to be acquired pursuant to the Share Offer (if any) to Zhongtai Securities as collateral as disclosed in the section headed “Confirmation of financial resources” in this joint announcement) and the Subscription Agreement (whereby the Sale Shares beneficially owned by the Offeror and the 49,693,600 Shares beneficially owned by Mega Start were charged, and the Shares to be acquired by the Offeror pursuant to the Share Offer will be charged, in favour of Zhongtai Financial to secure the performance of the Offeror under the Subscription Agreement, the First Tranche Notes and the Second Tranche Notes), there is no arrangement (whether by way of option, indemnity, or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of the Offeror which may be material to the Offers;
- (d) there is no agreement or arrangement to which the Offeror or its Concert Parties, is a party which relates to circumstances in which the Offeror may or may not seek to invoke a pre-condition or a condition to the Offers;
- (e) none of the Offeror nor its Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code);
- (f) none of the Offeror nor its Concert Parties have received any irrevocable commitment to accept the Offers; and
- (g) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror nor its Concert Parties.

## INFORMATION OF THE COMPANY

The Company is an investment holding company and its subsidiaries are principally engaged in (i) the entertainment and gaming business; and (ii) trading of chemical products, energy conservation and environmental protection products.

## EFFECT OF THE SHARE SALE AND PURCHASE AGREEMENT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to the Completion; and (ii) immediately following the Completion and as at the date of this joint announcement:

	Immediately prior to the Completion		Immediately following the Completion and as at the date of this joint announcement	
	<i>Shares</i>	<i>Approximate %</i>	<i>Shares</i>	<i>Approximate %</i>
The Offeror and its Concert Parties				
The Offeror	–	–	369,308,914	65.04
Ms. Chen Hong	200,400	0.04	200,400	0.04
The Vendor	369,308,914	65.04	–	–
Mega Start ( <i>Note 1</i> )	49,693,600	8.75	49,693,600	8.75
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Sub-total</i>	<i>419,202,914</i>	<i>73.83</i>	<i>419,202,914</i>	<i>73.83</i>
New Elect ( <i>Note 2</i> )	6,500,000	1.14	6,500,000	1.14
Public shareholders	142,147,600	25.03	142,147,600	25.03
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b><u>567,850,514</u></b>	<b><u>100.00</u></b>	<b><u>567,850,514</u></b>	<b><u>100.00</u></b>

Notes:

1. Mr. Chau, an executive Director, holds the entire issued share capital of Mega Start and is therefore deemed to be interested in the 49,693,600 Shares held by Mega Start.
2. Mr. Hung Ching Fung, an executive Director, holds the entire issued share capital of New Elect and is therefore deemed to be interested in the 6,500,000 Shares held by New Elect.

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

## FINANCIAL INFORMATION OF THE GROUP

The following table is a summary of certain audited consolidated financial information of the Group for the two financial years ended 31 December 2016 as extracted from the annual results announcement of the Company for the year ended 31 December 2016 dated 29 March 2017 and the annual report of the Company for the year ended 31 December 2015:

	Year ended 31 December	
	2015	2016
	HK\$'000	HK\$'000
	(audited)	(audited)
Revenue	194,857	195,562
Gross profit/(loss)	(1,285)	77,072
Loss before taxation	(23,026)	(50,563)
Loss for the year	(23,987)	(50,894)
	As at 31 December	
	2015	2016
	HK\$'000	HK\$'000
	(audited)	(audited)
Consolidated net asset value attributable to the owners of the Company	150,930	108,370

## **INFORMATION OF THE OFFEROR**

The Offeror was incorporated in the Republic of Seychelles as an international business company with limited liability on 9 January 2017 and is ultimately beneficially owned as to 80% by Mr. Yan Xu and 20% by Ms. Chen Hong. As at the date of this joint announcement, the sole director of the Offeror is Mr. Yan Xu.

Mr. Yan Xu, aged 48, was accredited as an Economist with a specialty in Management by the Personnel Department of Sichuan Province\* (四川省人事廳) in 2003. He is the legal representative and has been an executive director of Chengdu Xuhe Property Development Group\* (成都旭和房地產開發有限公司) since July 2006, and is currently the legal representative and an executive director of Sichuan Xuhe Film Company Limited\* (四川旭和影業有限公司). He has 20 years of experience in property development in the PRC and extensive experience in the entertainment business through investment in various companies, and financing films.

Ms. Chen Hong, aged 46, obtained a Master's Degree in Economics from Shanghai University of Finance and Economics in 2004, and is the angel investor of Shanghai Ma Shang Fei Yang Calculation Technology Company Limited\* (上海馬上飛揚計算機技術有限公司). Ms. Chen is an experienced investor with investments covering technology and telecommunication sectors and has interest in various PRC-based technology and/or telecommunication related companies, and listed companies in Hong Kong.

The Vendor, Dr. Lam, Mega Start and Mr. Chau are parties acting in concert with the Offeror. Details are set out in the paragraph headed "Consideration and payment terms" under the section headed "The Share Sale and Purchase Agreement" above in this joint announcement.

## **INTENTIONS OF THE OFFEROR REGARDING THE GROUP**

The Offeror intends that the Group will continue its existing businesses with a view to further diversifying and enhancing the entertainment business of the Group. The Offeror will also conduct a review on the business operations and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review, the Offeror may explore other business opportunities (in particular, in the entertainment sector) for the Group such as acquisitions or investments in assets and/or business divestment and fund-raising, with a view to enhancing its overall growth and future development.

The Board is currently made up of seven Directors, comprising four executive Directors and three independent non-executive Directors. It is currently expected that the Offeror will require two executive Directors to resign from the Board, and the Offeror will nominate new Directors to be appointed to the Board at the earliest time as allowed under the Takeovers Code. Any such resignation and appointment will be made in compliance with the Takeovers Code and the Listing Rules. Further announcement(s) will be made upon any resignation and appointment of Directors.

Save as to the Offeror's intention regarding the Group and the potential changes to the members of the Board as set out above, the Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

## **MAINTAINING THE LISTING STATUS AND PUBLIC FLOAT OF THE COMPANY**

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

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

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

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

Each of the Offeror and the Company will undertake to the Stock Exchange that it would take appropriate steps to ensure that sufficient public float exists in the Shares.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this joint announcement or such later date as the Executive may approve, the Offeror will despatch an offer document in relation to the Offers. The Offeror and the Company intend to combine the offer document and the Company's board circular in the Composite Document to be posted. Such Composite Document setting out, among others, (i) further details of the Offers; (ii) the recommendation from the Independent Board Committee; (iii) the letter from the Independent Financial Adviser in respect of the Offers; and (iv) the relevant form(s) of acceptance, will be despatched to the Offer Shareholders and the Convertible Bondholders within 21 days of the date of this joint announcement.

## **ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising Mr. Daniel Domingos António, Mr. Kwok Chi Chung and Mr. Chow Wing Tung, being all the independent non-executive Directors, has been established by the Company to advise the Offer Shareholders and the Convertible Bondholders in respect of the Offers. Each of the members of the Independent Board Committee has no direct or indirect interest in the Offers and has no conflict of interest in respect of the Offers. The Board considers that members of the Independent Board Committee are therefore independent and able to consider the terms of the Offers and make recommendation to the Offer Shareholders and the Convertible Bondholders.

Red Sun Capital has been appointed by the Company with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to acceptance of the Offers.

## **DISCLOSURE OF DEALINGS**

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including persons who own or control 5% or more of any class of relevant securities of the Company or the Offeror) are reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.



The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

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

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

**RESUMPTION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 7 April 2017 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 20 April 2017.

**WARNING**

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

## DEFINITIONS

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

“Amasse”	Amasse Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“Company”	Jimei International Entertainment Group Limited, a company incorporated in Bermuda with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1159)
“Completion”	completion of the Share Sale in accordance with the terms and conditions of the Share Sale and Purchase Agreement
“Completion Date”	7 April 2017
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offers in compliance with the Takeovers Code containing, among other things, terms and conditions of the Offers, procedures for acceptance of the Offers, letters from the Independent Board Committee and the Independent Financial Adviser, and the relevant forms of acceptance and transfer

“Concert Parties”	in relation to the Offers, parties acting in concert with the Offeror, including but not limited to Zhongtai Securities, Zhongtai Financial, Mr. Yan Xu, Ms. Chen Hong, the Vendor, Dr. Lam, Mega Start and Mr. Chau
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the total consideration of up to HK\$443,170,696.80 payable by the Offeror to the Vendor pursuant to the Sale and Purchase Agreement
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Convertible Bonds”	the 8% coupon rate unsecured convertible bonds due on 1 December 2018 in the aggregate principal amount of HK\$315,000,000 which could be convertible into a total of 63,000,000 Shares at the conversion price of HK\$5.00 per conversion share issued by the Company on 2 December 2015, the entire principal amount of which remains outstanding as at the date of this joint announcement
“Convertible Bondholder(s)”	the holder of the Convertible Bond(s) from time to time
“Convertible Bonds Offer”	the offer to be made by Zhongtai Capital for and on behalf of the Offeror to acquire the Convertible Bonds in accordance with the terms described in this joint announcement
“Convertible Notes”	the zero coupon rate unsecured convertible notes due on 19 September 2017 in the principal amount of HK\$55,650,000 which could be convertible into a total of 159,000,000 Shares at the conversion price of HK\$0.35 per conversion share issued by the Company on 19 September 2014 to the Vendor, the principal amount of HK\$29,650,000 of which remains outstanding as at the date of this joint announcement

“Directors”	the directors of the Company
“Encumbrances”	any mortgage, pledge, charge, lien, option, restriction, rights to acquire, rights of pre-emption, trust arrangement, third party right or interest, or any other similar encumbrances, priorities, guarantee or restriction of rights, associated rights or obligations, including any agreement, arrangement in relation thereto relating to property, assets or rights of any nature
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“First Batch Consideration”	the first batch of the Consideration for the Sale Shares pursuant to the Share Sale and Purchase Agreement, being HK\$222,000,000
“First Tranche Notes”	the first tranche of non-convertible notes in the principal amount of HK\$220,000,000 which has been issued by the Offeror to Zhongtai Financial under the Subscription Agreement
“Group”	the Company and its subsidiaries
“Guarantor” or “Dr. Lam”	Dr. Lam Yin Lok, the sole director and sole legal and beneficial owner of the Vendor, an executive Director and the Chairman of the Board
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising Mr. Daniel Domingos António, Mr. Kwok Chi Chung and Mr. Chow Wing Tung, being all the independent non-executive Directors, formed for the purpose of advising the Offer Shareholders and the Convertible Bondholder(s) in respect of the Offers
“Independent Financial Adviser” or “Red Sun Capital”	Red Sun Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee in respect of the Offers
“Irrevocable Undertakings”	the New Elect Irrevocable Undertaking and the Vendor Irrevocable Undertaking
“Last Trading Day”	6 April 2017, being the last trading day immediately prior to the suspension of trading in the Shares pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Margin Facility”	a margin facility of HK\$250,000,000 granted by Zhongtai Securities to the Offeror for financing the maximum consideration payable by the Offeror in respect of the Offers
“Mega Start”	Mega Start Limited, a company incorporated in the BVI with limited liability and wholly owned by Mr. Chau
“Mr. Chau”	Mr. Chau Chit, an executive Director

“New Elect”	New Elect International Limited, a company incorporated in the BVI with limited liability and wholly owned by Mr. Hung Ching Fung, an executive Director
“New Elect Irrevocable Undertaking”	the irrevocable undertaking given by New Elect to the Offeror in respect of the 6,500,000 Shares held by it (representing approximately 1.14% of the entire issued share capital of the Company as at the date of this joint announcement), details of which are set out in the section headed “The Irrevocable Undertakings” in this joint announcement
“Offers”	the Share Offer and the Convertible Bonds Offer (as the case may be)
“Offer Period”	has the meaning ascribed to it under the Takeovers Code
“Offer Share(s)”	any of the Shares that are subject to the Share Offer
“Offer Shareholder(s)”	holder(s) of Share(s), other than the Offeror, its Concert Parties and New Elect
“Offeror”	Cosmic Leader Holdings Limited, a company incorporated in the Republic of Seychelles with limited liability
“Overseas Convertible Bondholders(s)”	Convertible Bondholder(s) whose address(es), as shown on the register of Convertible Bonds of the Company, is/are outside Hong Kong
“Overseas Offer Shareholder(s)”	Offer Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong

“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Receivables”	the receivables due to the Group as at 31 December 2016, being approximately HK\$227,037,000
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share(s)”	an aggregate of 369,308,914 Shares, being such number of Shares as shall represent all the Shares that the Vendor held or was otherwise interested in the Company immediately prior to the Completion, and a “Sale Share” means any of them
“Second Batch Consideration”	being the balance of the Consideration (net of the First Batch Consideration) of up to HK\$221,170,696.80, which will be satisfied by the Offeror on 5 January 2018 subject to the adjustments as detailed in the paragraph headed “Consideration and payment terms” under the section headed “The Share Sale and Purchase Agreement” in this joint announcement
“Second Tranche Notes”	the second tranche of non-convertible notes in the principal amount of up to HK\$250,000,000 to be issued by the Offeror to Zhongtai Financial under the Subscription Agreement after the close of the Offers
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) of par value HK\$0.10 each in the issued share capital of the Company
“Share Offer”	the mandatory unconditional cash offer to be made by Zhongtai Capital, on behalf of the Offeror, to acquire all the issued Shares not already owned or agreed to be acquired by the Offeror and its Concert Parties
“Share Offer Price”	the price at which the Share Offer will be made, being HK\$1.20 per Offer Share
“Shareholder(s)”	holder(s) of Share(s)
“Share Sale”	the sale of the Sale Shares by the Vendor to the Offeror pursuant to the Share Sale and Purchase Agreement
“Share Sale and Purchase Agreement”	the sale and purchase agreement dated 6 April 2017 and entered into among the Vendor, Dr. Lam and the Offeror in relation to the sale and purchase of the Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the Subscription Agreement dated 6 April 2017 entered into between Zhongtai Financial and the Offeror in relation to the issues of the First Tranche Notes and the Second Tranche Notes by the Offeror to Zhongtai Financial
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Reach Luck International Limited, a company incorporated in the BVI with limited liability and a controlling shareholder of the Company immediately prior to the Completion



“Vendor Irrevocable Undertaking”	the irrevocable undertaking given by the Vendor to the Offeror in respect of the Convertible Notes held by it, details of which are set out in the section headed “The Irrevocable Undertakings” in this joint announcement
“Zhongtai Capital”	Zhongtai International Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Zhongtai Financial”	Zhongtai Financial International Limited, a company incorporated in Hong Kong with limited liability
“Zhongtai Securities”	Zhongtai International Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“%”	per cent.

By order of the sole director of  
**Cosmic Leader Holdings Limited**  
**Mr. Yan Xu**  
*Director*

By order of the Board of  
**Jimei International Entertainment  
Group Limited**  
**Dr. Lam Yin Lok**  
*Chairman*

Hong Kong, 19 April 2017

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

*The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group or its respective director(s) excluding Dr. Lam and Mr. Chau), and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than that expressed by the Group or its respective director(s) excluding Dr. Lam and Mr. Chau) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*As at the date of this joint announcement, the Board comprises four executive Directors, namely Dr. Lam Yin Lok, Mr. Tsui Kin Ming, Mr. Hung Ching Fung and Mr. Chau Chit; and three independent non-executive Directors, namely Mr. Daniel Domingos António, Mr. Kwok Chi Chung and Mr. Chow Wing Tung.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it save for Dr. Lam and Mr. Chau), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the Offeror and parties acting in concert with it save for Dr. Lam and Mr. Chau) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

\* *The English translation of Chinese names is included for information purposes only and should not be regarded as their official English translation.*