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Heading Champion Limited
(incorporated in the BVI with limited liabilities)

SAGE INTERNATIONAL GROUP LIMITED
仁智國際集團有限公司
(incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8082)

JOINT ANNOUNCEMENT

**CONDITIONAL VOLUNTARY GENERAL OFFER BY
SUN INTERNATIONAL SECURITIES LIMITED
FOR AND ON BEHALF OF
HEADING CHAMPION LIMITED
FOR ALL THE ISSUED SHARES OF
SAGE INTERNATIONAL GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED BY HEADING
CHAMPION LIMITED
AND THE PARTIES ACTING IN CONCERT WITH IT)
AND FOR THE CANCELLATION OF ALL THE OUTSTANDING
OPTIONS OF
SAGE INTERNATIONAL GROUP LIMITED**

Financial Adviser to the Offeror



紅日資本有限公司
RED SUN CAPITAL LIMITED

INTRODUCTION

The Offeror and the Company jointly announce that Sun Securities will, on behalf of the Offeror, make voluntary conditional cash offers (i) to acquire all of the issued Shares (other than those already owned by the Offeror and the parties acting in concert with it) of the Company; and (ii) to cancel all the outstanding Options (other than those already held by the Offeror and the parties acting in concert with it).

In preparation for making the Offers, the Offeror underwent the following Reorganisation:–

On 22 January 2018, Mr. Dong, Sun Entertainment Films and the Offeror entered into the Share Swap Agreement, pursuant to which Mr. Dong and Sun Entertainment Films have agreed to transfer 1,000,000 Shares and 164,192,312 Shares respectively, to the Offeror in consideration of the Offeror allotting and issue, credited as fully paid, one new share of the Offeror to Mr. Dong. Prior to the Share Swap, Mr. Dong was interested in one share of the Offeror. Upon completion of the Share Swap, the Offeror remained wholly-owned by Mr. Dong where he held two shares of the Offeror. The Offeror, together with the Shares it was holding before the Share Swap, beneficially held 285,492,312 Shares, representing approximately 24.66% of the entire issued share capital of the Company, as at the date of this joint announcement.

On 23 January 2018, each of Simple Cheer and Mr. Chau entered into the Subscription Agreement A and Subscription Agreement B respectively with the Offeror, pursuant to which Simple Cheer and Mr. Chau respectively agreed to subscribe in cash and the Offeror agreed to allot and issue, credited as fully paid, two and one new shares of the Offeror to Simple Cheer and Mr. Chau with a consideration of HK\$45,678,770 and HK\$22,839,385 respectively. Upon completion of the Subscription A and Subscription B, Mr. Dong, Simple Cheer and Mr. Chau each held 40%, 40% and 20% of the entire issued share capital of the Offeror respectively. The Share Swap and the Subscriptions have been completed on 22 January 2018 and 23 January 2018 respectively.

As at the Last Trading Date, there were 1,157,798,007 Shares in issue and 22,142,834 outstanding Options carrying rights to subscribe for up to 22,142,834 Shares.

Save as disclosed above, the Company has no other outstanding shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of securities in the Company.

THE OFFERS

The Share Offer

The Share Offer will be made by Sun Securities for and on behalf of the Offeror, in compliance with the Takeovers Code on the following basis:

For each Share HK\$0.16 in cash

The Share Offer Price of HK\$0.16 per Share represents a discount of approximately 5.88% to the closing price of HK\$0.17 per Share as quoted on the Stock Exchange on 23 January 2018, being the Last Trading Date.

The Option Offer

Sun Securities will make, on behalf of the Offeror, appropriate offers to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Options (other than those already held by the Offeror and the parties acting in concert with it) in exchange for cash on the following basis.

The Options

Details of the Options outstanding and exercisable as at date of this joint announcement were as follow:

	Outstanding Options and exercisable as at date of this joint announcement	Date of grant	Exercise period	Exercise price per share
Category 1: Directors				
Mr. Chui	1,052,820	22 March 2011	22 March 2011 – 21 March 2021	HK\$4.175
Mr. Chan Wai Man	23,927	15 February 2008	15 February 2008 – 14 February 2018	HK\$6.892
	119,638	5 December 2011	5 December 2011 – 4 December 2021	HK\$2.372
Mr. Siu Hi Lam, Alick	119,638	5 December 2011	5 December 2011 – 4 December 2021	HK\$2.372
Sub total	<u>1,316,023</u>			

	Outstanding Options and exercisable as at date of this joint announcement	Date of grant	Exercise period	Exercise price per share
<i>Category 2: Employees/consultants</i>				
Employee	38,284	15 February 2008	15 February 2008 – 14 February 2018	HK\$6.892
Employees	981,034	7 July 2010	7 July 2010 – 6 July 2020	HK\$1.784
Employee	153,137	12 August 2010	12 August 2010 – 11 August 2020	HK\$4.912
Employees	430,698	9 September 2010	9 September 2010 – 8 September 2020	HK\$4.791
Employees	765,686	13 September 2010	13 September 2010 – 12 September 2020	HK\$4.474
Employees	693,903	3 December 2010	3 December 2010 – 2 December 2020	HK\$4.455
Employee	1,196,386	5 December 2011	5 December 2011 – 4 December 2021	HK\$2.372
Employee	1,624,311	18 January 2013	18 January 2013 – 17 January 2023	HK\$1.102
Employees	1,800,000	11 April 2016	11 April 2019 – 10 April 2026	HK\$0.188
Employees	5,400,000	25 January 2017	25 January 2020 – 24 January 2027	HK\$0.200
Consultant	555,122	12 August 2010	12 August 2010 – 11 August 2020	HK\$4.912
Consultant	135,430	6 September 2010	6 September 2010 – 5 September 2020	HK\$4.137
Consultant	1,052,820	22 March 2011	22 March 2011 – 21 March 2021	HK\$4.175
Consultant	4,500,000	11 April 2016	11 April 2017 – 10 April 2026	HK\$0.188
Consultant	1,500,000	25 January 2017	25 January 2020 – 24 January 2027	HK\$0.200
Sub total	<u>20,826,811</u>			
Total of all categories	<u><u>22,142,834</u></u>			

In respect of Options with any exercise price:

For cancellation of each such Option HK\$0.001 in cash

The Offeror confirms that the Share Offer Price and cancellation price of the Options are final and will not be increased.

IRREVOCABLE UNDERTAKING

On 19 January 2018, each of Mr. Chui and New Brilliant (being a wholly-owned company of Mr. Chui), each a substantial Shareholder (within the meanings of the GEM Listing Rules) holding 1,800 Shares and Options to subscribe for up to 1,052,820 Shares, and 149,472,498 Shares respectively, representing 0.00%, 0.09% and 12.91% of the issued share capital of the Company, respectively, has irrevocably undertaken to the Offeror that, prior to the close of the Offers, he/it will not (i) whether directly or indirectly, dispose of, charge, pledge, grant any option over or otherwise dispose of or create any encumbrances in respect of the Shares and Options they were holding; or (ii) tender or otherwise make any of Shares or Shares issued and allotted pursuant to the exercise of the Options (if any) he/it is holding, available for acceptance under the Offers.

VALUE OF THE OFFERS

Based on the Share Offer Price of HK\$0.16 per Share and 722,831,397 Shares and 21,090,014 outstanding Options not held by the Offeror and the parties acting in concert with it:

- (a) assuming all outstanding Options (other than those held by the Offeror and the parties acting in concert with it) are exercised in full and the Share Offer is accepted in full (including all Shares issued and allotted as a result of the exercise of the Options):
 - (i) the value of the Share Offer will be approximately HK\$119,027,426; and
 - (ii) no amount will be payable by the Offeror under the Option Offer.
- (b) assuming no outstanding Options (other than those held by the Offeror and the parties acting in concert with it) are exercised and the Share Offer is accepted in full:
 - (i) the value of the Share Offer will be approximately HK\$115,653,024; and
 - (ii) the total amount to satisfy the cancellation of all outstanding Options will be approximately HK\$21,090.

FINANCIAL RESOURCES AVAILABLE TO THE OFFEROR

Taking into account the Irrevocable Undertaking and assuming all outstanding Options (other than those held by the Offeror and the parties acting in concert with it) are exercised, the financial resources required from the Offeror to satisfy the consideration for the Offers is HK\$119,027,426.

The Offeror intends to finance the consideration payable under the Offers with the Offeror's internal financial resources and the Facility from Mr. Chau to the Offeror of up to HK\$50,509,271 which is interest-free and unsecured, for the sole purpose of making the Offers. Together with the subscription monies injected by Simple Cheer and Mr. Chau pursuant to Subscription A and Subscription B of HK\$45,678,770 and HK\$22,839,385 respectively, HK\$119,027,426 of cash is therefore available for the Offeror to make the Share Offer at the price of HK\$0.16 per Share and for making the Option Offer in full. In the event that the Facility is used for the Offers, the used amount of the Facility shall be repaid or reimbursed by all shareholders of Heading Champion on an equal pro-rata basis in proportion to their existing shareholding in Heading Champion. The Offeror will not be dissolved immediately upon completion of the distribution in specie.

Red Sun Capital Limited, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration in respect of full acceptance of the Offers.

DISTRIBUTION AFTER THE COMPLETION OF THE OFFERS

It is the intention of Mr. Dong, Simple Cheer and Mr. Chau that upon the completion of the Offers, a distribution in specie will be effected by the Offeror, subject to full compliance with all applicable laws, rules and regulations, to distribute all the Shares held by the Offeror in proportion to their existing shareholding in the Offeror, i.e. 40%, 40% and 20% for Mr. Dong, Simple Cheer and Mr. Chau respectively. The distribution in specie is expected to be made within seven (7) Business Days after the Closing Date and restoration of public float (if necessary).

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the non-executive Directors who have no direct or indirect interest in the Offers, has been established by the Company in accordance with Rule 2.1 of the Takeovers Code to make recommendation to the Independent Shareholders as to whether the Share Offer is fair and reasonable and as to acceptance of the Share Offer and the Optionholders as to whether the Option Offer is fair and reasonable and as to acceptance of the Option Offer. An independent financial adviser will be appointed by the Company with approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offers. Further announcement will be made by the Company in respect of appointment of the independent financial adviser as and when appropriate.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Board to combine the Offers document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offers and their respective terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offers; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offers; and (iv) relevant forms of acceptance and transfer, to the Shareholders and Optionholders within 21 days from the date of this joint announcement, or such later date as the Executive may approve. It is expected that the Composite Document will be despatched on or before 13 February 2018.

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

WARNING: Shareholders, Optionholders and potential investors should be aware that the Share Offer is subject to the satisfaction or waiver (where applicable) of the Conditions (as set out in “Conditions of the Offers” in this joint announcement), and the Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. Accordingly, the Offers may or may not become unconditional. Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the Shares, exercising the Options or other rights in respect of any of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

INTRODUCTION

The Offeror and the Company jointly announce that Sun Securities will, on behalf of the Offeror, make voluntary conditional cash offers (i) to acquire all of the issued Shares (other than those already owned by the Offeror and the parties acting in concert with it) of the Company; and (ii) to cancel all the outstanding Options (other than those already held by the Offeror and the parties acting in concert with it).

In preparation for making the Offers, the Offeror underwent the following Reorganisation:–

On 22 January 2018, Mr. Dong, Sun Entertainment Films and the Offeror entered into the Share Swap Agreement, pursuant to which Mr. Dong and Sun Entertainment Films have agreed to transfer 1,000,000 Shares and 164,192,312 Shares respectively, to the Offeror in consideration of the Offeror allotting and issue, credited as fully paid, one new share of the Offeror to Mr. Dong. Prior to the Share Swap, Mr. Dong was interested in one share of the Offeror. Upon completion of the Share Swap, the Offeror remained wholly-owned by Mr. Dong where he held two shares of the Offeror. The Offeror, together with the Shares it was holding before the Share Swap, beneficially held 285,492,312 Shares, representing approximately 24.66% of the entire issued share capital of the Company, as at the date of this joint announcement.

On 23 January 2018, each of Simple Cheer and Mr. Chau entered into the Subscription Agreement A and Subscription Agreement B respectively with the Offeror, pursuant to which Simple Cheer and Mr. Chau respectively agreed to subscribe in cash and the Offeror agreed to allot and issue, credited as fully paid, two and one new shares of the Offeror to Simple Cheer and Mr. Chau with a consideration of HK\$45,678,770 and HK\$22,839,385 respectively. Upon completion of the Subscription A and Subscription B, Mr. Dong, Simple Cheer and Mr. Chau each held 40%, 40% and 20% of the entire issued share capital of the Offeror respectively. The Share Swap and the Subscriptions have been completed on 22 January 2018 and 23 January 2018 respectively.

As at the Last Trading Date, there were 1,157,798,007 Shares in issue and 22,142,834 outstanding Options carrying rights to subscribe for up to of 22,142,834 Shares.

Save as disclosed above, the Company has no other outstanding shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of securities in the Company.

THE OFFERS

The Share Offer

The Share Offer will be made by Sun Securities for and on behalf of the Offeror, in compliance with the Takeovers Code on the following basis:

For each Share HK\$0.16 in cash

The Share Offer Price of HK\$0.16 per Share represents:

- (1) a discount of approximately 5.88% to the closing price of HK\$0.17 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (2) a discount of approximately 5.88% to the average closing price of approximately HK\$0.17 per Share based on the daily closing prices as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Date;
- (3) a discount of approximately 5.88% to the average closing price of approximately HK\$0.17 per Share based on the daily closing prices as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Date;
- (4) the average closing price of approximately HK\$0.16 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Date; and
- (5) a premium of approximately 173.97% to the unaudited consolidated net asset value of the Group per Share as at 30 June 2017 of approximately HK\$0.0584 calculated based on unaudited net asset value of the Group as at 30 June 2017 of approximately HK\$67,565,000 and 1,157,798,007 Shares in issue as at the date of this joint announcement.

Highest and lowest trading prices

During the six-months period preceding and up to the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.280 on 21 August 2017 and 22 August 2017, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.141 on 27 December 2017 and 28 December 2017.

The Option Offer

Sun Securities will make, on behalf of the Offeror, appropriate offers to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Options (other than those already held by the Offeror and the parties acting in concert with it) in exchange for cash on the following basis.

The Options

Details of the Options outstanding and exercisable as at date of this joint announcement were as follow:

	Outstanding Options and exercisable as at date of this joint announcement	Date of grant	Exercise period	Exercise price per share
<i>Category 1: Directors</i>				
Mr. Chui	1,052,820	22 March 2011	22 March 2011 – 21 March 2021	HK\$4.175
Mr. Chan Wai Man	23,927	15 February 2008	15 February 2008 – 14 February 2018	HK\$6.892
	119,638	5 December 2011	5 December 2011 – 4 December 2021	HK\$2.372
Mr. Siu Hi Lam, Alick	119,638	5 December 2011	5 December 2011 – 4 December 2021	HK\$2.372
Sub total	<u>1,316,023</u>			
<i>Category 2: Employees/consultants</i>				
Employee	38,284	15 February 2008	15 February 2008 – 14 February 2018	HK\$6.892
Employees	981,034	7 July 2010	7 July 2010 – 6 July 2020	HK\$1.784
Employee	153,137	12 August 2010	12 August 2010 – 11 August 2020	HK\$4.912
Employees	430,698	9 September 2010	9 September 2010 – 8 September 2020	HK\$4.791
Employees	765,686	13 September 2010	13 September 2010 – 12 September 2020	HK\$4.474
Employees	693,903	3 December 2010	3 December 2010 – 2 December 2020	HK\$4.455
Employee	1,196,386	5 December 2011	5 December 2011 – 4 December 2021	HK\$2.372
Employee	1,624,311	18 January 2013	18 January 2013 – 17 January 2023	HK\$1.102
Employees	1,800,000	11 April 2016	11 April 2019 – 10 April 2026	HK\$0.188

	Outstanding Options and exercisable as at date of this joint announcement	Date of grant	Exercise period	Exercise price per share
Employees	5,400,000	25 January 2017	25 January 2020 – 24 January 2027	HK\$0.200
Consultant	555,122	12 August 2010	12 August 2010 – 11 August 2020	HK\$4.912
Consultant	135,430	6 September 2010	6 September 2010 – 5 September 2020	HK\$4.137
Consultant	1,052,820	22 March 2011	22 March 2011 – 21 March 2021	HK\$4.175
Consultant	4,500,000	11 April 2016	11 April 2017 – 10 April 2026	HK\$0.188
Consultant	1,500,000	25 January 2017	25 January 2020 – 24 January 2027	HK\$0.200
Sub total	<u>20,826,811</u>			
Total of all categories	<u><u>22,142,834</u></u>			

In respect of Options with any exercise price:

For cancellation of each such Option HK\$0.001 in cash

The Option Offer will be conditional upon the Share Offer becoming or being declared unconditional in all respects. Further information on the Option Offer will be set out in the formal document containing details of the Option Offer which will be sent to Optionholders on the Despatch Date.

The Offeror confirms that the Share Offer Price and cancellation price of the Options are final and will not be increased.

Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced.

Settlement of consideration

Settlement of consideration in respect of the acceptances of the Offers will be made as soon as possible but in any event within seven (7) Business Days of the date of receipt of a complete and valid acceptance in respect of the Offers or of the Unconditional Date, whichever is the later.

IRREVOCABLE UNDERTAKINGS

On 19 January 2018, each of Mr. Chui and New Brilliant (being a wholly-owned company of Mr. Chui), each a substantial Shareholder (within the meanings of the GEM Listing Rules) holding 1,800 Shares and Options to subscribe for up to 1,052,820 Shares, and 149,472,498 Shares respectively, representing 0.00%, 0.09% and 12.91% of the issued share capital of the Company, respectively has irrevocably undertaken to the Offeror that, prior to the close of the Offers, he/it will not (i) whether directly or indirectly, dispose of, charge, pledge, grant any option over or otherwise dispose of or create any encumbrances in respect of the Shares and Options they were holding; or (ii) tender or otherwise make any of Shares or Shares issued and allotted pursuant to the exercise of the Options (if any) he/it is holding, available for acceptance under the Offers.

VALUE OF THE OFFERS

Based on the Share Offer Price of HK\$0.16 per Share and 722,831,397 Shares and 21,090,014 outstanding Options not held by the Offeror and the parties acting in concert with it:

- (a) assuming all outstanding Options (other than those held by the Offeror and the parties acting in concert with it) are exercised in full and the Share Offer is accepted in full (including all Shares issued and allotted as a result of the exercise of the Options):
 - (i) the value of the Share Offer will be approximately HK\$119,027,426; and
 - (ii) no amount will be payable by the Offeror under the Option Offer.
- (b) assuming no outstanding Options (other than those held by the Offeror and the parties acting in concert with it) are exercised and the Share Offer is accepted in full:
 - (i) the value of the Share Offer will be approximately HK\$115,653,024; and
 - (ii) the total amount to satisfy the cancellation of all outstanding Options will be approximately HK\$21,090.

FINANCIAL RESOURCES AVAILABLE TO THE OFFEROR

Taking into account the Irrevocable Undertaking and assuming all outstanding Options (other than those held by the Offeror and the parties acting in concert with it) are exercised, the financial resources required from the Offeror to satisfy the consideration for the Offers is HK\$119,027,426.

The Offeror intends to finance the consideration payable under the Offers with the Offeror's internal financial resources and the Facility from Mr. Chau to the Offeror of up to HK\$50,509,271 which is interest-free and unsecured, for the sole purpose of making the Offers. Together with the subscription monies injected by Simple Cheer and Mr. Chau pursuant to Subscription A and Subscription B of HK\$45,678,770 and HK\$22,839,385 respectively, HK\$119,027,426 of cash is therefore available for the Offeror to make the Share Offer at the price of HK\$0.16 per Share and for making the Option Offer in full. In the event that the Facility is used for the Offers, the used amount of the Facility shall be repaid or reimbursed by all shareholders of Heading Champion on an equal pro-rata basis in proportion to their existing shareholding in Heading Champion. The Offeror will not be dissolved immediately upon completion of the distribution in specie.

Red Sun Capital Limited, the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration in respect of full acceptance of the Offers.

CONDITIONS OF THE OFFERS

The Share Offer

The Share Offer is conditional upon the satisfaction or waiver (as the case may be) of the following Conditions:

- (a) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which will result in the Offeror and the parties acting in concert with it together holding more than 50% of the voting rights of the Company;
- (b) the Shares remaining listed and traded on the GEM up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading in the Shares as a result of the Offers and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the GEM is or is likely to be withdrawn, other than as a result of either of the Offers or anything done or caused by or on behalf of the Offeror or the parties acting in concert with it;

- (c) no event, up to the Closing Date, having occurred which would make the Offers or the acquisition of any of the Shares under the Share Offer void, unenforceable or illegal or their implementation being prohibited or which would impose material conditions, limitations or obligations with respect to the Offers; and
- (d) no relevant authority(ies) in Hong Kong, the Cayman Islands, Bermuda and the British Virgin Islands having taken or instigated any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offers or the acquisition of any of the Shares under the Offers void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to, the Offers (other than such items or events above as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Offers).

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions set out above save that Conditions (a) and (c) cannot be waived.

The Offeror understands that it does not require approval from any Relevant Authority as a condition to the making of the Offers.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any of the Conditions so as to cause the Offers to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Offers.

The Option Offer

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

In accordance with Rule 15.3 of the Takeovers Code, the Offeror will publish an announcement when the Share Offer becomes or is declared unconditional as to acceptances and when the Share Offer becomes or is declared unconditional in all respects. The Offers must also remain open for acceptance for at least fourteen (14) days after the Offers become unconditional. Shareholders and Optionholders are reminded that the Offeror does not have any obligation to keep the Offers open for acceptance beyond this minimum 14-day period.

WARNING

Shareholders, Optionholders and potential investors should be aware that the Share Offer is subject to the satisfaction or waiver (where applicable) of the Conditions, and the Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. Accordingly, the Offers may or may not become unconditional. Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the Shares, exercising the Options or other rights in respect of any of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

THE OFFEROR AND THE PARTIES ACTING IN CONCERT WITH IT

The Offeror was set up by Mr. Dong for investment holding. Mr. Dong, Simple Cheer, and Mr. Chau completed the Reorganisation of the Offeror for the sole purpose of holding Shares in the Company in view of the Offers and the Offeror is not intended for any other business.

Mr. Dong, aged 37, joined the Group on 4 May 2015 and obtained his Master of Business Administration in Chinese Business Studies at St Clements University in 2011. Mr. Dong also obtained a Master of Business Administration at the Business University of Costa Rica in 2012. Mr. Dong has extensive experience in business development and marketing. Mr. Dong founded Nextra Marketing and Business Consulting Limited (“**Nextra Marketing**”) in Macau in 2009 specializing in event management and provision of tailor-made services to clients as well as assisting them in the formulation of strategic plans. In 2011, Mr. Dong also founded Nextra (HK) Limited (“**Nextra HK**”) which targets at providing creative marketing solutions to the Hong Kong market. Mr. Dong is currently the Chief Executive Officer of Nextra Marketing and Nextra HK. Meanwhile, Mr. Dong founded Sun Entertainment Culture Limited in 2011 which produces and distributes films and organizes live concert.

Mr. Cheng, aged 42, serves as executive chairman of the board of Sun International Group Limited (Stock Code: 8029), a company listed on the GEM, since July 5, 2013. He is the chairman and executive director of JF Household Furnishings Limited (Stock code: 776), a company listed on the main board of the Stock Exchange. Mr. Cheng has experience in corporate management and investment.

Mr. Chau, aged 43, was born in the Macao Special Administrative Region. He joined Sun Century Group Limited (Stock code: 1383), a company listed on the main board of the Stock Exchange, in September 2011 as executive director and acted as the chairman of Sun Century Group Limited on 8 November 2011. He engaged in the business of operating and managing V.I.P. clubs at hotels. Mr. Chau was previously an executive director and the chairman of Sun International Group Limited (Stock Code: 8029), a company listed on the GEM and resigned on 5 July 2013. Mr. Chau is also a Committee Member of China Overseas Friendship Association.

Reasons for the Offers

The Offeror believes that if the Offers becomes unconditional, it would allow the Offeror, Mr. Dong, Mr. Cheng, and Mr. Chau, who are parties acting in concert, to consolidate their interests in the Company and the Group would be able to leverage on Mr. Cheng and Mr. Chau's extensive commercial network and to promote and support the Group's existing business and/or able to procure investors with solid background and experience. In addition, it is believed that upon the Offeror, Mr. Dong, Mr. Cheng and Mr. Chau becoming the largest Shareholders of the Company, the incentive for the Offeror, Mr. Dong, Mr. Cheng and Mr. Chau to play a greater role in directing the future development of the Group would increase significantly, which will create greater value for the Shareholders in long term perspective. The Offeror further believes that the Offers provides an opportunity for the Independent Shareholders to realise some or all of their Shares in return for immediate cash.

Intention of the Offeror on the Group

The Offeror, Mr. Dong, Mr. Cheng and Mr. Chau intend that the Group will continue to operate its existing businesses. Upon close of the Offers, the Offeror, Mr. Dong, Mr. Cheng and Mr. Chau will conduct a detailed review of the business operations and financial position of the Group for the purpose of formulating a sustainable business plan or strategy for the Group's long-term development. Subject to the results of the review, the Offeror, Mr. Dong, Mr. Cheng and Mr. Chau may explore other business opportunities and consider whether any asset disposals, asset acquisitions, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company.

Notwithstanding the above, as at the date of this joint announcement, no investment or business opportunity has been identified nor have the Offeror, Mr. Dong, Mr. Cheng and Mr. Chau entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group, and the Offeror, Mr. Dong, Mr. Cheng and Mr. Chau have no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

Maintaining the listing status of the Company

The Stock Exchange has stated that if, at the close of the Share Offer, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

The Offeror has no intention to privatize the Company and intends the Company to remain listed on GEM after close of the Offers. The director of the Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float will exist in the Shares after the close of the Offers.

Proposed change of the Board composition

As at the date of this joint announcement, the Offeror has not decided on the future composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code, the Listing Rules and the bye-laws of the Company and further announcement will be made by the Company as and when appropriate.

DISTRIBUTION AFTER THE COMPLETION OF THE OFFERS

It is the intention of Mr. Dong, Simple Cheer and Mr. Chau that upon the completion of the Offers, a distribution in specie will be effected by the Offeror, subject to full compliance with all applicable laws, rules and regulations, to distribute all the Shares held by the Offeror in proportion to their existing shareholding in the Offeror, i.e. 40%, 40% and 20% for Mr. Dong, Simple Cheer and Mr. Chau respectively. The distribution in specie is expected to be made within seven Business Days after the Closing Date and restoration of public float (if necessary).

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structure (*Note 4*) of the Company as at the date of this joint announcement:

	Number of Shares	Approximate %
Mr. Chui Bing Sun	1,800	0.00%
New Brilliant (<i>Note 1</i>)	149,472,498	12.91
The Offeror (<i>Note 2</i>)	285,492,312	24.66%
Mr. Chan Wai Man (<i>Note 3</i>)	27,000	0.00%
Public Shareholders	<u>722,804,397</u>	<u>62.43%</u>
Total	<u><u>1,157,798,007</u></u>	<u><u>100.00%</u></u>

Notes:

(1) New Brilliant is wholly and beneficially owned by Mr. Chui.

- (2) The Offeror is beneficially owned as to 40% by Mr. Dong, 40% by Simple Cheer, and 20% by Mr. Chau.
- (3) Mr. Chan Wai Man is an independent non-executive Director.
- (4) Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

GENERAL MATTERS RELATING TO THE OFFERS

Availability of the Offers

The Offeror intends to make the Share Offer and Option Offer available to all Shareholders and Optionholders, respectively, including those who are not resident in Hong Kong. The availability of the Share Offer and Option Offer to persons who are not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. Persons who are not resident in Hong Kong should inform themselves about and observe any applicable requirements and restrictions in their own jurisdictions, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with the other necessary formalities and the payment of any issue, transfer or other fares due in such jurisdiction.

In the event that the receipt of the Composite Document by overseas Shareholders or Optionholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such overseas Shareholders or Optionholders. The Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. There are no overseas Shareholders or Optionholders as at the date of this joint announcement.

Any arrangements for overseas Shareholders and Optionholders to collect the Composite Document or the formal document containing details of the Option Offer, respectively, will be set out in a further announcement.

Warranty by Shareholders

In addition to the Conditions set out in this joint announcement, the Share Offer is made on the basis that acceptance of the Share Offer by any person will constitute a warranty by such person or persons to the Offeror that the Shares acquired under the Share Offer are sold by such person or persons free from all third party rights, liens, charges, equities, adverse interests and encumbrances whatsoever and together with all rights attaching thereto as at the Closing Date or subsequently becoming attached to them, including the right to receive all dividends (whether final or interim) and other distributions, if any, declared, made or paid on or after the Closing Date.

The Offers will be made in compliance with the Takeovers Code which is administered by the Executive. Acceptance of the Offers shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

The Shareholders are reminded to read the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in respect of the Offers and the letter from the independent financial adviser containing its advice to the Independent Board Committee in respect of the Offers which will be included in the Composite Document.

Stamp Duty

Sellers' ad valorem stamp duty arising in connection with acceptance of the Share Offer will be payable by each Shareholder at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable by the Offeror for such person's Shares and will be deducted from the cash amount due to such Shareholder.

The Offeror will pay the buyer's ad valorem stamp duty in relation to the Share Offer on its own behalf.

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

Taxation advice

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

Further agreements or arrangement

As at the date of this joint announcement:

- (i) save for the undertaking by Mr. Chui not to accept the Offers, the Offeror and the parties acting in concert with it have not received any irrevocable commitment to or not to accept the Offers;
- (ii) save for the undertaking by Mr. Chui not to accept the Offers and the distribution in species as described hereinabove, there is no other agreement, arrangement or understanding, in connection with the Offers, existing between (a) the Offeror; and (b) the Company, any of the Directors, recent Directors of the Company, Shareholders, or recent Shareholders of the Company;

- (iii) save as disclosed in the section headed “Shareholding Structure of the Company” in this joint announcement, the Offeror and the parties acting in concert with it do not own or have control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (iv) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror or any of the parties acting in concert with it;
- (v) save as disclosed, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offers;
- (vi) there is no agreement or arrangement to which the Offeror or the parties acting in concert with it which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a condition to the Offers save for the Conditions;
- (vii) the Offeror and its concert parties have not borrowed or lent any relevant securities of the Company (as defined in Note 4 to Rule 22 of the Takeovers Code);
- (viii) save for the Share Swap and the 164,192,312 consideration Shares issued to Sun Entertainment Films in July 2017 on a connected transaction in relation to the Company’s investment in a film production as disclosed in the circular dated 29 June 2017, none of the Offeror, Mr. Dong, Simple Cheer, Mr. Cheng, Mr. Chau and Mr. Chui and their respective concert parties has dealt in the Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of this joint announcement;
- (ix) The Offeror confirms that other than the consideration payable under the Subscriptions and the Facility, neither Mr. Chau, Mr. Cheng nor their respective concert parties would give any other consideration in any form to Mr. Dong or his concert parties;
- (x) Upon completion of the Subscriptions, Mr. Chau, Mr. Cheng, and Mr. Dong will enter into a deed in relation to parties acting in concert, pursuant to which all of them shall acknowledge, agree and confirm that they are parties acting in concert in respect of each of the Offeror and the Company and they will be parties acting in concert of each of the Offeror and the Company including the voting rights for so long as they remain interested in the securities of the Offeror and the Company; and
- (xi) The Offeror confirms no other agreement, arrangement or understanding existed between Mr. Chau, Mr. Cheng and Mr. Dong or parties acting in concert with any of them which is conditional on or dependent upon the outcome of the Offers or otherwise in connection with the Offers.

Close of the Offers

The latest time on which the Offeror can declare the Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent). The first closing date will be set out in the Composite Document.

If all the Conditions are satisfied (or, if permissible, waived), Shareholders and Optionholders will be notified by way of an announcement in accordance with the Takeovers Code and the Listing Rules as soon as practicable thereafter.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the non-executive Directors who have no direct or indirect interest in the Offers, has been established by the Company in accordance with Rule 2.1 of the Takeovers Code to make recommendation to the Independent Shareholders as to whether the Share Offer is fair and reasonable and as to acceptance of the Share Offer and the Optionholders as to whether the Option Offer is fair and reasonable and as to acceptance of the Option Offer. An independent financial adviser will be appointed by the Company with approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offers. Further announcement will be made by the Company in respect of appointment of the independent financial adviser as and when appropriate.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Board to combine the Offers document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offers and their respective terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offers; (iii) the letter of advice from the independent financial adviser to the Independent Board Committee in respect of the Offers; and (iv) relevant forms of acceptance and transfer, to the Shareholders and Optionholders within 21 days from the date of this joint announcement, or such later date as the Executive may approve. It is expected that the Composite Document will be despatched on or before 13 February 2018.

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

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, 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 any securities of the Company and/or the Offeror pursuant to the Takeovers Code.

For this purpose, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“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.”

The Offeror, its nominees or brokers or associates may from time to time make certain purchases of, or arrangements to purchase Shares other than pursuant to the Share Offer, before or during the period in which the Share Offer remains open for acceptance in compliance with the Takeovers Code. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be reported to the SFC and will be available on the SFC website at <http://www.sfc.hk/>.

WARNING

Shareholders, Optionholders and potential investors should be aware that the Share Offer is subject to the satisfaction or waiver (where applicable) of the Conditions (as set out in “Conditions of the Offers” in this joint announcement), and the Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. Accordingly, the Offers may or may not become unconditional. Shareholders, Optionholders and potential investors should therefore exercise caution when dealing in the Shares, exercising the Options or other rights in respect of any of them. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

DEFINITIONS

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

“associates”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors of the Company
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the Share Offer or any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Company”	Sage International Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability with its shares listed on the GEM (stock code: 8082)
“Composite Document”	the composite offer and response document to be issued jointly by the Offeror and the Company to all the Independent Shareholders and Optionholders in accordance with the Takeovers Code containing, amongst other things, the detailed terms of the Offers

“concert parties”	parties acting in concert with the person or party as specified as determined in accordance with the Takeovers Code. And for the purpose of the Offeror, includes Mr. Dong, Simple Cheer, Mr. Cheng, Mr. Chau, Mr. Chui and their respective concert parties
“Conditions”	the conditions of the Offers, as set out under the section headed “Conditions of the Offers” of this joint announcement
“Despatch Date”	the date of despatch of the Composite Document and the formal documents containing details of the Option Offer
“Director(s)”	the director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC, or any delegate of the Executive Director
“Facility”	the facility granted by Mr. Chau to the Offeror up to HK\$50,509,271 which is interest-free and unsecured, all of which was solely for the conditional voluntary cash general offer to the Shareholders and Optionholders of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and all its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive directors of the Company, namely, Mr. Chan Wai Man, Mr. Siu Hi Lam, Alick and Mr. Ting Kit Lun, established for the purpose of making recommendations to the Independent Shareholders in relationship to the Offers
“Independent Shareholders”	Shareholders other than the offeror, Mr. Dong, New Brilliant, and Mr. Chui

“Last Trading Date”	23 January 2018, being the last full trading date prior to the publication of this joint announcement
“Mr. Chau”	Mr. Chau Cheok Wa, an independent third party to the Company who holds nil Shares as at the date of this joint announcement and a party acting in concert with the Offeror, Mr. Dong and Simple Cheer
“Mr. Cheng”	Mr. Cheng Ting Kong, the sole beneficial owner of Simple Cheer and an independent third party as at the date of this joint announcement
“Mr. Chui”	Mr. Chui Bing Sun, an executive Director and a substantial Shareholder of the Company beneficially interested in approximately 12.91% of the entire issued share capital of the Company and holding 1,052,820 Options as at the date of this joint announcement
“Mr. Dong”	Mr. Dong Choi Chi, Alex, an executive Director and a substantial Shareholder of the Company beneficially interested in approximately 24.66% of the entire issued share capital of the Company as at the date of this joint announcement
“New Brilliant”	New Brilliant Investments Limited, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Chui
“Offers”	the Share Offer and the Option Offer
“Offeror”	Heading Champion Limited, which beneficially owned as to 40% by Mr. Dong, 40% by Simple Cheer, and 20% by Mr. Chau and holds 285,492,312 Shares, representing approximately 24.66% of the total issued Shares of the Company as at the date of this joint announcement
“Option Offer”	the proposal to be made by the Offeror in compliance with Rule 13 of the Takeovers Code to cancel all the outstanding Options (other than those held by the Offeror and its concert parties) in accordance with the terms and conditions set out in this joint announcement
“Optionholders”	the holders of the Options

“Options”	the share options granted by the Company pursuant to the Share Option Scheme of the Company, whether vested or not
“PRC”	the People’s Republic of China
“Reorganisation”	collectively, the Share Swap, the Subscription A and the Subscription B
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Offer”	the voluntary conditional cash offer by the Offeror to acquire all of the outstanding Shares (other than those held by the Offeror and its concert parties) in accordance with the terms and conditions set out in this joint announcement
“Share Offer Price”	the cash amount of HK\$0.16 per Share payable by the Offeror to the Independent Shareholders for each Share accepted under the Offers
“Shareholder(s)”	the registered holder(s) of the Share
“Share Option Scheme”	the share option scheme adopted by the Company on 31 August 2011
“Share Swap”	the share swap contemplated under the Share Swap Agreement
“Share Swap Agreement”	the sale and purchase agreement dated 22 January 2018 and entered into among Mr. Dong, Sun Entertainment Films and the Offeror, pursuant to which Mr. Dong and Sun Entertainment Films have agreed to transfer 1,000,000 Shares and 164,192,312 Shares respectively, to the Offeror in consideration of the Offeror allotting and issue, credited as fully paid, one new share of the Offeror to Mr. Dong
“Share(s)”	the ordinary share(s) of HK\$0.025 each of the Company
“Simple Cheer”	Simple Cheer Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Mr. Cheng and a party acting in concert with the Offeror, Mr. Dong and Mr. Chau
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriptions”	together, the Share Swap, the Subscription A and the Subscription B
“Subscription A”	the subscription contemplated under the Subscription Agreement A
“Subscription Agreement A”	the subscription agreement dated 23 January 2018 and entered into between Simple Cheer and the Offeror, pursuant to which Simple Cheer agreed to subscribe in cash and the Offeror agreed to issue two new shares of the Offeror to Simple Cheer with a consideration of HK\$45,678,770
“Subscription B”	the subscription contemplated under the Subscription Agreement B
“Subscription Agreement B”	the subscription agreement dated 23 January 2018 and entered into between Mr. Chau and the Offeror, pursuant to which Mr. Chau agreed to subscribe in cash and the Offeror agreed to issue one new share of the Offeror to Mr. Chau with a consideration of HK\$22,839,385
“Sun Entertainment Films”	Sun Entertainment Films Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned company of Mr. Dong
“Sun Securities”	Sun International Securities Limited, a corporation licensed to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities under the SFO
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs published by the SFC
“Unconditional Date”	the date on which the Offers become or are declared unconditional in all respects
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the board of directors of
Heading Champion Limited
Dong Choi Chi, Alex
Director

By order of the board of Directors of
Sage International Group Limited
Chui Bing Sun
Chairman and executive Director

Hong Kong, 23 January 2018

The sole director of the Offeror, Mr. Cheng and Mr. Chau accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than that 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 statements in this joint announcement misleading.

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 Offers, the Offeror and the 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 that expressed by the Offeror and the 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 statements in this joint announcement misleading.

This joint announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint announcement (other than the information relating to the Offers, the Offeror and parties acting in concert with it) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Dong Choi Chi.

As at the date of this joint announcement, the executive Directors of the Company are Mr. Chui Bing Sun (chairman) and Mr. Dong Choi Chi, Alex, and the independent non-executive Directors of the Company are Mr. Chan Wai Man, Mr. Siu Hi Lam, Alick and Mr. Ting Kit Lun.

This joint announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.sig.hk.