

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.

This joint announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of Fittec International Group Limited.



China Base Group Limited
(Incorporated in the BVI with limited liability)

Fittec International Group Limited
奕達國際集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2662)

Joint Financial Advisers

ANGLO CHINESE 英高
CORPORATE FINANCE, LIMITED



中信建投國際
China Securities International

Donvex
富域資本
Donvex Capital Limited
富域資本有限公司

Joint Financial Advisers

BRIDGE PARTNERS

BRIDGE PARTNERS CAPITAL LIMITED

JOINT ANNOUNCEMENT

- (1) SALE AND PURCHASE AGREEMENT IN RELATION TO
THE SALE AND PURCHASE OF SHARES IN
FITTEC INTERNATIONAL GROUP LIMITED;**
- (2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY
ANGLO CHINESE CORPORATE FINANCE LIMITED
AND
CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE
COMPANY LIMITED
FOR AND ON BEHALF OF
CHINA BASE GROUP LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
FITTEC INTERNATIONAL GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY
CHINA BASE GROUP LIMITED AND
PARTIES ACTING IN CONCERT WITH IT);
AND**
- (3) RESUMPTION OF TRADING IN THE SHARES**

Independent Financial Adviser to the Independent Board Committee

Nuada Limited

Corporate Finance Advisory

THE SALE AND PURCHASE AGREEMENT

Reference is made to the MOU Announcement issued by the Company dated 28 October 2015 in relation to the possible sale and purchase of Sale Shares.

On 24 November 2015, the Vendor and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell and the Offeror conditionally agreed to acquire the Sale Shares free from all encumbrances together with all rights attaching thereto as at the Completion Date, including all rights to any dividend or other distribution declared, made or paid on or after the Completion Date (but excluding the Special Dividend), at an aggregate consideration of HK\$535,320,000, equivalent to approximately HK\$0.7435 per Sale Share. As at the date of this joint announcement, the Sale Shares, being 720,000,000 Shares, represent approximately 74.35% of the total issued share capital of the Company.

The Completion is conditional upon fulfilment or waiver (as the case may be) of the Conditions as described in the paragraph headed “Conditions” under the section headed “The Sale and Purchase Agreement” in this joint announcement.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

As at the date of this joint announcement, the Offeror and parties acting in concert with it are not interested in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion, the Offeror and parties acting in concert with it will be interested in a total of 720,000,000 Shares, representing approximately 74.35% of the issued share capital of the Company.

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

As at the date of this joint announcement, the Company has 968,394,000 ordinary Shares in issue. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Subject to and upon Completion, Anglo Chinese and CSCF, on behalf of the Offeror, will make the Offer to acquire all the Offer Shares in compliance with the Takeovers Code on the following basis:

The Offer

For every Offer ShareHK\$0.7435 in cash

If and when the Offer is made, the Offer Price is the same as the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. The principal terms of the Offer are set out under the section headed “Possible Unconditional Mandatory Cash Offer” in this joint announcement.

The Offeror will finance the consideration payable under the Offer through the CSB Facility. Pursuant to the terms of the CSB Facility, (i) the Sale Shares acquired by the Offeror under the Sale and Purchase Agreement and the Shares to be acquired pursuant to the Offer shall be, and will be, charged to CSB as security; and (ii) Ms. Lo shall, and has, executed a personal guarantee for the obligations and liabilities of the Offeror under the CSB Facility.

Anglo Chinese and CSCF have been appointed as the joint financial advisers to the Offeror in respect of the Offer. Anglo Chinese and CSCF are satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptances of the Offer.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising of all independent non-executive Directors, namely Mr. Chung Wai Kwok, Jimmy, Mr. Tam Wing Kin and Mr. Sin Man Yin, has been established pursuant to Rule 2.1 of the Takeovers Code to make a recommendation to the Independent Shareholders regarding the Offer.

Nuada has been appointed as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer and in particular as to whether the terms of the Offer are fair and reasonable and as to acceptance and voting. The appointment of Nuada has been approved by the Independent Board Committee.

DESPATCH OF COMPOSITE DOCUMENT

If the Offer materialises, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched to the Shareholders within 21 days of the date of this joint announcement. However, as the Offer is subject to Completion and it is expected that the Conditions to the Sale and Purchase Agreement will not be satisfied within 21 days from the date of this joint announcement, an application will be made by the Offeror for the Executive’s consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to seven days after the Long Stop Date or a date falling within seven days of fulfilment of the Conditions or such other date as the Executive may approve, whichever is earlier.

The Composite Document will contain, among other things, details of the Offer (accompanied by the form of acceptance and transfer) and incorporate the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser and other relevant information on the Offeror and the Group as required under the Takeovers Code.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and its acceptance, before deciding whether or not to accept the Offer.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 23 November 2015 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 2 December 2015.

WARNING

Shareholders and potential investors should note that the Completion is conditional upon the fulfilment or waiver of the Conditions and the Offer will only be made if the Completion takes place. Accordingly, the Offer may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

Reference is made to the MOU Announcement issued by the Company dated 28 October 2015 in relation to the possible sale and purchase of the Sale Shares.

The Company has been informed that on 24 November 2015, the Vendor and the Offeror entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell and the Offeror conditionally agreed to acquire the Sale Shares, details of which are set out below.

THE SALE AND PURCHASE AGREEMENT

Date: 24 November 2015

Parties:

Vendor: Fittec Holdings Limited as Vendor, which is wholly owned by Mr. Lam Chi Ho, the chairman and an executive Director of the Company

Offeror: China Base Group Limited as purchaser

Subject matter

Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to sell and the Offeror conditionally agreed to acquire the Sale Shares free from all encumbrances together with all rights attaching thereto as at the Completion Date, including all rights to any dividend or other distribution declared, made or paid on or after the Completion Date (but excluding the Special Dividend), at an aggregate consideration of HK\$535,320,000, equivalent to approximately HK\$0.7435 per Sale Share. As at the date of this joint announcement, the Sale Shares, being 720,000,000 Shares, represent approximately 74.35% of the total issued share capital of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Offeror, its ultimate beneficial owners and parties acting in concert with any of them are third parties independent of, and not connected with, the Company and its connected persons.

The Offeror shall not be obliged to purchase any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously.

Consideration

The total consideration for the Sale Shares pursuant to the Sale and Purchase Agreement is HK\$535,320,000, equivalent to approximately HK\$0.7435 per Sale Share, which was determined after arm's length negotiations between the Offeror and the Vendor. The total consideration shall be satisfied by the Offeror to the Vendor in the following manner:

- (a) a deposit of HK\$20,000,000 (the "**Deposit**") was paid by the Offeror to Anglo Chinese, being the escrow agent, which shall be released to the Vendor upon the signing of the Sale and Purchase Agreement and shall upon Completion be regarded as part payment of the total consideration payable to the Vendor; and
- (b) the remaining balance of HK\$515,320,000 (the "**Remaining Consideration**") shall be paid by the Offeror to the Vendor upon Completion.

Conditions

Completion of the Sale and Purchase Agreement is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (a) the material warranties given by the Vendor in the Sale and Purchase Agreement remaining true and accurate and not misleading as given as at the date of the Sale and Purchase Agreement and as at Completion, and as if given at all times between the date of the Sale and Purchase Agreement and Completion;
- (b) all approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind of, from or by any governmental authority, regulatory body or other third party necessary or desirable for the consummation of the transactions contemplated in the Sale and Purchase Agreement having been obtained by the Vendor and the Company and remaining in full force and effect;
- (c) there being no applicable law which prohibits, restricts or imposes conditions or limitations on the consummation of any of the transactions contemplated in the Sale and Purchase Agreement;
- (d) there being no bona fide legal, administrative or arbitration action, suit, complaint, charge, hearing, injunction, investigation or proceedings in effect, pending or genuinely threatened as of Completion before any court, tribunal or arbitrator of a competent jurisdiction or by any governmental authority which seek to prohibit, restrict, impose condition or limitation on or otherwise challenge any of the transactions contemplated in the Sale and Purchase Agreement;
- (e) the listing of the Shares not having been withdrawn, the Shares continuing to be traded on the Stock Exchange prior to the Completion Date (save for any suspension for no longer than five consecutive trading days or such other period as the Offeror may agree in writing or the suspension in connection with transactions contemplated under the Sale and Purchase Agreement) and neither the Stock Exchange nor the SFC having indicated that either one of them will object to such continued listing for reasons related to or arising from the transactions contemplated under the Sale and Purchase Agreement; and
- (f) the Special Dividend having been duly declared, the Record Date for determining the Shareholders and the identity of the Shareholders entitled to receive such dividend having been determined and, if applicable, the passing by the Shareholders of the Company in a general meeting of a resolution approving the declaration and payment of the Special Dividend.

The Offeror may at its absolute discretion at any time by notice in writing to the Vendor to waive the Conditions referred to in (a), (d) and (e) above. The Vendor may at its absolute discretion at any time by notice in writing to the Offeror to waive the Condition referred to in (f) above. The Conditions referred to in (b) and (c) above cannot be waived. If any of the Conditions is not satisfied or waived on or before the Long Stop Date (or such later date as the Vendor and the Offeror may agree in writing), the Sale and Purchase Agreement shall automatically lapse and be of no further effect and the parties shall be released from any further obligations without any liability save as to any antecedent breach and without prejudice to any accrued rights and remedies unless otherwise agreed by the parties in writing. The Vendor shall forthwith return the Deposit paid by the Offeror to the Vendor under the Sale and Purchase Agreement.

Completion

Subject to the fulfilment or waiver (as the case may be) of the Conditions, Completion shall take place on the Completion Date, being the third Business Day after the last of the Conditions having been fulfilled or waived (as the case may be) or such other date as the Offeror and the Vendor may agree in writing. An announcement will be made upon Completion in relation to the Offer in accordance with Rule 3.6 of the Takeovers Code.

Indemnity

The Vendor has given to the Offeror certain representations and warranties which are mainly in respect of (among others) the Sale Shares and capacity of the Vendor, share capital, corporate matters, legal compliance, financial matters, business, taxation, properties and intellectual property rights in relation to the Company and/or other companies within the Group.

The Vendor shall indemnify the Offeror against all losses directly or indirectly suffered or incurred by the Offeror and the Company as a result of or in connection with any of the warranties or any failure to duly perform and observe any of the obligations, undertakings or covenants of the Vendor required to be performed and observed by it under the Sale and Purchase Agreement. The Vendor shall also indemnify the Offeror and the Group against all losses directly or indirectly suffered or incurred by the Group as a result of any demand, claim or any arbitral or legal proceedings against the Group in relation to any causes of action that arises prior to Completion taken out by the Group prior to Completion.

Special Dividend

Pursuant to the Sale and Purchase Agreement, the Company is entitled to declare a dividend to the Shareholders in cash on or before Completion (the “**Special Dividend**”) in such manner and with such Record Date for determining the Shareholders entitled to receive such dividend as the Directors may recommend and determine without prior consent of the Offeror.

The Special Dividend that may be recommended by the Board is conditional upon the passing of an ordinary resolution by the Shareholders declaring and approving the payment of the Special Dividend. If such condition is not satisfied, the Special Dividend will not be paid.

It is a Condition to the Sale and Purchase Agreement that Completion shall take place after the Record Date.

Subject to the recommendation by the Board, further announcement(s) will be made by the Company in respect of details of the amount of the Special Dividend, the Record Date, the payment date of the Special Dividend and closure of register of members of the Company for determining the Shareholder's entitlement to the Special Dividend in accordance with Rule 13.66 of the Listing Rules.

For the avoidance of doubt, any Shareholder whose name appears on the Company's principal or branch share register on the Record Date and subsequently accepts the Offer would still be entitled to the Special Dividend. Shareholders will be entitled to the Special Dividend irrespective of whether they accept the Offer or not.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

As at the date of this joint announcement, the Offeror and parties acting in concert with it are not interested in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion, the Offeror and parties acting in concert with it will be interested in a total of 720,000,000 Shares, representing approximately 74.35% of the issued share capital of the Company.

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

As at the date of this joint announcement, the Company has 968,394,000 Shares in issue. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Warning: the Offer is a possibility only.

The Offer will only be made if the Sale and Purchase Agreement is completed. Completion is conditional upon the fulfilment or waiver (as the case may be) of the Conditions. Accordingly, the Offer may or may not be made. Shareholders and potential investors are advised to exercise caution in dealing in the securities of the Company.

The Offer, if made, will be on the terms mentioned below.

Principal terms of the Offer

Subject to and upon Completion, Anglo Chinese and CSCF, on behalf of the Offeror, will make the Offer to acquire all the Offer Shares in compliance with the Takeovers Code on the terms to be set out in the Composite Document on the following basis:

The Offer

For every Offer Share HK\$0.7435 in cash

If and when the Offer is made, the Offer Price is the same as the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

If the Offer is made, the Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution (excluding the Special Dividend) declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

For the avoidance of doubt, any Shareholder whose name appears on the Company's principal or branch share register on the Record Date and subsequently accepts the Offer would still be entitled to the Special Dividend.

Value of the Offer

Based on the Offer Price of HK\$0.7435 per Offer Share and 968,394,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company would be valued at approximately HK\$720.0 million.

Immediately after Completion, assuming that there is no change in the issued share capital of the Company, there will be 248,394,000 Shares subject to the Offer and the value of the Offer is approximately HK\$184.7 million.

Comparison of value

The Offer Price of HK\$0.7435 per Offer Share represents:

- (i) a discount of approximately 54.9% to the closing price of HK\$1.650 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 53.2% to the average of the closing prices of Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$1.588 per Share;
- (iii) a discount of approximately 47.3% to the average of the closing prices of Shares as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day of approximately HK\$1.411 per Share;

- (iv) a discount of approximately 37.8% to the average of the closing prices of Shares as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Day of approximately HK\$1.196 per Share; and
- (v) a premium of approximately 45.8% over the consolidated net asset value per Share of approximately HK\$0.510, based on the audited consolidated net asset value of the Group as at 30 June 2015 of approximately HK\$493.6 million and 968,394,000 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

During the six-month period immediately preceding the date of the MOU Announcement and the period up to and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.94 per Share on 23 June 2015 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.84 per Share on 8 July 2015 and 2 September 2015.

Financial resources available to the Offeror

The Offeror has already paid the Deposit of HK\$20,000,000 to the Vendor on the date of the Sale and Purchase Agreement. The Remaining Consideration payable by the Offeror in respect of the Sale Shares under the Sale and Purchase Agreement is HK\$515,320,000.

As the Offeror and parties acting in concert with it will own 720,000,000 Shares subject to and immediately after Completion, the total number of Shares subject to the Offer will be 248,394,000 Shares. As such, the maximum amount payable by the Offeror under the Offer will be approximately HK\$184.7 million in the event that the Offer is fully accepted.

The Offeror intends to finance and satisfy the Remaining Consideration payable under the Sale and Purchase Agreement and the total consideration payable under the Offer, being an aggregate total amount of approximately HK\$700.0 million, through the CSB Facility.

Pursuant to the terms of the CSB Facility, (i) the Sale Shares to be acquired by the Offeror under the Sale and Purchase Agreement and the Shares to be acquired pursuant to the Offer shall be, and will be, charged to CSB as security; and (ii) Ms. Lo shall and has executed a personal guarantee for the obligations and liabilities of the Offeror under the CSB Facility.

Anglo Chinese and CSCF are satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptance of the Offer as described above.

Effect of accepting the Offer

The Offer, subject to Completion taking place, will be unconditional in all respects. By accepting the Offer, the relevant Shareholders will sell their Shares to the Offeror free from all encumbrances and together with all rights attached to them, including but not limited to the right to all dividends and distributions (but excluding the Special Dividend) declared, made or paid, if any, on or after the date on which the Offer is made (i.e. being the date of the Composite Document). Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Independent Shareholders are reminded to read the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser appointed by the Independent Board Committee in respect of the Offer which will be included in the Composite Document.

Payment

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event within seven business days (as defined in the Takeovers Code) of the date on which the relevant documents of title are received by the Offeror or its agent acting on its behalf to render each such acceptance complete and valid.

Taxation advice

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

Overseas Shareholders

The Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

Hong Kong stamp duty

In Hong Kong, the seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the relevant Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Dealing and interests in securities of the Company

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

Other arrangements

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

- (i) the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offer;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by any of the Offeror, its ultimate beneficial owners and/or any person acting in concert with any of them;
- (iii) save for the Sale and Purchase Agreement and the Offer Shares to be acquired by the Offeror through the Offer, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) save for the Sale and Purchase Agreement, none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them owns or has control or discretion over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (v) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (vi) none of the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them has borrowed or lent any relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

INFORMATION ON THE GROUP

The Company is incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding. The Group is principally engaged in the manufacturing and sales of printed circuit board, electronics components and related parts; and the provision of repair and maintenance services.

The following table is a summary of certain audited consolidated financial information of the Group for the two financial years ended 30 June 2014 and 30 June 2015.

	Year ended 30 June	
	2014	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	1,081,782	726,771
Gross loss	(27,343)	(17,085)
Loss before tax	(265,480)	(77,778)
Loss for the year	<u>(264,851)</u>	<u>(77,830)</u>
	As at 30 June	
	2014	2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Consolidated net asset value attributable to owners of the Company	<u>573,016</u>	<u>493,628</u>

SHAREHOLDING STRUCTURE OF THE COMPANY

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

	As at the date of this joint announcement		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Offeror and parties acting in concert with it	–	–	720,000,000	74.35
The Vendor	720,000,000	74.35	–	–
Public Shareholders	<u>248,394,000</u>	<u>25.65</u>	<u>248,394,000</u>	<u>25.65</u>
Total	<u>968,394,000</u>	<u>100.00</u>	<u>968,394,000</u>	<u>100.00</u>

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated on 6 October 2003 in BVI with limited liability and as at the date of this joint announcement, the Offeror is wholly owned by Ms. Lo, who is also the sole director of the Offeror.

Ms. Lo is the executive chairman and the sole ultimate beneficial owner of Guangzhou Camsing Limited Company (廣州承興營銷管理有限公司), a company incorporated in the PRC, whose business includes brand licensing, promotion and distribution of consumer products. She holds two EMBA degrees from Hong Kong University of Science and Technology and HEC business school in Paris.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Offeror and parties acting in concert with any of them are third parties independent of, and not connected with, the Company and its connected persons.

OFFEROR'S INTENTION ON THE COMPANY

It is the intention of the Offeror to continue with the existing principal business of the Group following the close of the Offer.

On the other hand, after Completion, the Offeror will conduct a thorough review of the business operations and financial position of the Group in order to formulate an applicable business strategy for the Group. The Offeror will also explore suitable business opportunities and consider appropriate investment for the Group that would contribute to the growth of its business and asset base as well as to broaden its revenue stream. As at the date of this joint announcement, the Offeror has no definitive proposal in relation to the injection of any assets or businesses into the Group. The Offeror has no intention to terminate the employment of the employees or to make significant changes to any employment of the Group (save for the proposed changes to the composition of the Board as set out below) or to dispose of or re-deploy the assets of the Group.

PROPOSED CHANGE OF BOARD COMPOSITION

The Board is currently made up of six Directors, comprising three executive Directors, namely Mr. Lam Chi Ho, Ms. Sun Mi Li and Mr. Tsuji Tadao; and three independent non-executive Directors, namely Mr. Chung Wai Kwok, Jimmy, Mr. Tam Wing Kin and Mr. Sin Man Yin. It is intended that all of the six Directors will resign after Completion and with effect from the earliest time permitted under the Takeovers Code. The Offeror intends to nominate new Directors to the Board at the earliest time as allowed under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules.

To ensure that there will be continuity in the management of the Group's business, Mr. Lam Chi Ho, Ms. Sun Mi Li and Mr. Tsuji Tadao (being existing executive Directors) shall remain as directors of the Group's subsidiaries. The existing directors' service agreements with the three executive Directors will be terminated after their resignation as Directors takes effect and the Group's subsidiaries will enter into new employment contracts with them on the same terms and conditions (including duration of the agreements) with their existing agreements after Completion.

Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules. Further announcement will be made on any further proposed change of the composition of the Board.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange after the close of the Offer. In the event that after the completion of the Offer, the public float of the Company falls below 25%, the sole director of the Offeror and the new Directors who will be nominated by the Offeror and to be appointed as Directors will undertake to the Stock Exchange that they will take appropriate steps to ensure that sufficient public float exists for the Shares following the close of the Offer.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 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, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Chung Wai Kwok, Jimmy, Mr. Tam Wing Kin and Mr. Sin Man Yin, has been established to make a recommendation to the Independent Shareholders regarding the Offer.

Nuada has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer. The appointment of Nuada has been approved by the Independent Board Committee.

DESPATCH OF COMPOSITE DOCUMENT

If the Offer materialises, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched to the Shareholders within 21 days of the date of this joint announcement. However, as the Offer is subject to Completion and it is expected that the Conditions to the Sale and Purchase Agreement will not be satisfied within 21 days from the date of this joint announcement, an application will be made by the Offeror for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Composite Document to seven days after the Long Stop Date or a date falling within seven days of fulfilment of the conditions or such other date as the Executive may approve, whichever is earlier.

The Composite Document will contain, among other things, details of the Offer (accompanied by the form of acceptance and transfer) and incorporate the letter of recommendation from the Independent Board Committee and the letter of advice from the Independent Financial Adviser and other relevant information on the Offeror and the Group as required under the Takeovers Code.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and its acceptance, before deciding whether or not to accept the Offer.

DEALING DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the respective associates of the Company (as defined under the Takeovers Code, including among others, shareholders of the Company having interests of 5% or more in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 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 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$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

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 23 November 2015 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 2 December 2015.

WARNING

Shareholders and potential investors should note that the Completion is conditional upon the fulfilment or waiver (as the case may be) of the Conditions and the Offer will only be made if the Completion takes place. Accordingly, the Offer may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they 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:

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, a registered institution under the SFO, registered to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the joint financial adviser to the Offeror
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which the banks are open for business in Hong Kong, other than Saturdays, Sundays and public holidays and/or a day on which the Stock Exchange is open for transaction of business (as defined under the Takeovers Code)
“BVI”	the British Virgin Islands
“Company”	Fittec International Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2662)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the third Business Day after the last of the Conditions having been fulfilled (or waived) on which Completion takes place

“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 Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the form of acceptance and transfer) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser
“Condition(s)”	the condition(s) precedent to Completion
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“CSB”	China Securities (International) Brokerage Company Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities and a related company of CSCF, being the lender of the CSB Facility to the Offeror
“CSB Facility”	a loan facility of up to approximately HK\$700.0 million granted by CSB to the Offeror to finance the amount of Remaining Consideration payable by the Offeror under the Sale and Purchase Agreement (up to approximately HK\$515.3 million) and the amount payable by the Offeror upon acceptance of the Offer (up to HK\$184.7 million)
“CSCF”	China Securities (International) Corporate Finance Company Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities and a related company of CSB, being the joint financial adviser to the Offeror
“Director(s)”	the director(s) of the Company from time to time
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and 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 established in accordance with the Takeovers Code to give recommendations to the Independent Shareholders in respect of the Offer

“Independent Financial Adviser” or “Nuada”	Nuada Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in respect of the Offer
“Independent Shareholders”	Shareholders other than Ms. Lo, the Vendor, the Offeror and their respective associates and parties acting in concert with any of them
“Last Trading Day”	20 November 2015, being the last trading day immediately prior to the suspension of trading in the Shares on the Stock Exchange pending the release of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	23 May 2016 (or such other date as the Offeror and the Vendor may agree in writing)
“MOU”	the memorandum of understanding in relation to the possible sale and purchase of the Sale Shares entered into between the Vendor and Camsing Investment (Group) Company Limited on 27 October 2015 and referred to in the MOU Announcement
“MOU Announcement”	the announcement issued by the Company dated 28 October 2015 in relation to the MOU and the possible sale by the Vendor of the Sale Shares
“Ms. Lo”	Ms. Lo Ching, the sole beneficial owner and director of the Offeror as at the date of the Sale and Purchase Agreement and this joint announcement
“Offer”	subject to Completion, the possible unconditional mandatory cash offer to be made by Anglo Chinese and CSCF on behalf of the Offeror to acquire all the Offer Shares pursuant to Rule 26.1 of the Takeovers Code
“Offer Price”	the price at which the Offer will be made, being HK\$0.7435 per Offer Share
“Offer Shares”	all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it)
“Offeror”	China Base Group Limited, a company incorporated in BVI with limited liability and wholly and beneficially owned by Ms. Lo

“Overseas Shareholder(s)”	Shareholder(s) whose addresses, as shown on the register of members of the Company, 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
“Record Date”	the date for determining the entitlements of the Shareholders to the Special Dividend which to be fixed at a date prior to Completion
“Sale and Purchase Agreement”	the sale and purchase agreement dated 24 November 2015 entered into between the Offeror and the Vendor in relation to the sale and purchase of the Sale Shares
“Sale Shares”	720,000,000 Shares, legally and beneficially owned by the Vendor as at the date of the Sale and Purchase Agreement and immediately prior to Completion, representing approximately 74.35% of the issued share capital of the Company as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Special Dividend”	the proposed special dividend that may be recommended by the Board and to be declared and paid to the Shareholders on a pro rata basis
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Vendor” Fittec Holdings Limited, a company incorporated in BVI with limited liability and is ultimately beneficially owned by Mr. Lam Chi Ho, the chairman and executive Director of the Company

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By order of the Board of
China Base Group Limited
Lo Ching
Director

By order of the Board of
Fittec International Group Limited
Lam Chi Ho
Chairman

Hong Kong, 1 December 2015

As at the date of this joint announcement, the Board comprises Mr. Lam Chi Ho, Ms. Sun Mi Li and Mr. Tsuji Tadao as executive Directors and Mr. Chung Wai Kwok, Jimmy, Mr. Tam Wing Kin and Mr. Sin Man Yin as the independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, Ms. Lo Ching is the sole director of the Offeror.

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, the Directors and the Vendor) and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than those expressed by the Group, the Directors or the Vendor) 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 text of this joint announcement shall prevail over its Chinese text.