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**INCUTECH INVESTMENTS
LIMITED**
*(Incorporated in the Cayman
Islands with limited liability)*
(Stock Code: 356)

SHARP YEARS LIMITED
*(Incorporated in the British Virgin
Islands with limited liability)*

HUGO LUCKY LIMITED
*(Incorporated in the British Virgin
Islands with limited liability)*

JOINT ANNOUNCEMENT

**(1) CONDITIONAL PURCHASE OF EXISTING SHARES AND
CONDITIONAL SUBSCRIPTION OF NEW SHARES OF
INCUTECH INVESTMENTS LIMITED**

BY

**SHARP YEARS LIMITED AND HUGO LUCKY LIMITED
UNDER THE SPECIFIC MANDATE;**

(2) PROPOSED INCREASE IN AUTHORISED CAPITAL;

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



禹銘投資管理有限公司
YU MING INVESTMENT MANAGEMENT LIMITED

ON BEHALF OF

**SHARP YEARS LIMITED AND HUGO LUCKY LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
INCUTECH INVESTMENTS LIMITED**

**(OTHER THAN THOSE ALREADY ACQUIRED OR AGREED TO BE ACQUIRED BY
SHARP YEARS LIMITED AND HUGO LUCKY LIMITED AND
PARTIES ACTING IN CONCERT WITH ANY OF THEM); AND**

(4) POSSIBLE SPECIAL DEAL

THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Vendor that on 30 April 2013 the Vendor and the Offerors entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell and the Offerors conditionally agreed to acquire the Sale Shares free from all Encumbrances at a total Consideration of HK\$1,500,000, equivalent to HK\$0.1 per Sale Share. The Sale Shares represent approximately 20.83% of the entire issued share capital of the Company as at the date of this joint announcement.

THE SUBSCRIPTION AGREEMENT

On 30 April 2013, the Company and the Offerors entered into the Subscription Agreement, pursuant to which the Company conditionally agreed to issue and allot and the Offerors conditionally agreed to subscribe in cash an aggregate of 1,000,000,000 Subscription Shares at the Subscription Price of HK\$0.1 per Subscription Share. The Subscription Shares represent approximately 13.89 times of the entire issued share capital of the Company as at the date of this joint announcement and approximately 93.28% of the entire issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares.

The Subscription Shares will be issued under a specific mandate to be approved by the Independent Shareholders at the EGM by an ordinary resolution.

INCREASE IN AUTHORISED CAPITAL

In order to facilitate the issue and allotment of the Subscription Shares and future expansion in the share capital of the Company, the Board proposes that the authorised share capital of the Company be increased from HK\$5,000,000 divided into 500,000,000 Shares to HK\$20,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,500,000,000 Shares.

The Increase in Authorised Capital is conditional upon the passing of an ordinary resolution by the Independent Shareholders at the EGM and the fulfillment of the conditions of the Sale and Purchase Agreement and the Subscription Agreement.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

Upon Completion, the Offerors and parties acting in concert with any of them will hold an aggregate of 1,015,000,000 Shares, representing approximately 94.68% of the entire issued share capital of the Company as enlarged by the issue and allotment of Subscription Shares. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offerors will be required to make a mandatory unconditional cash offer for all the issued Shares which are not already acquired or agreed to be acquired by them and parties acting in concert with any of them.

Subject to Completion, Yu Ming will make the Offer on behalf of the Offerors on the following basis:

For each Offer Share. HK\$0.1 in cash

The Offer Price is the same as the price of the Sale Share and the Subscription Share.

Principal terms of the Offer are set out in the paragraph headed “Possible mandatory unconditional cash offer” of this joint announcement. Yu Ming as the financial adviser to the Offerors in respect of the Offer is satisfied that sufficient financial resources are available to the Offerors to satisfy full acceptance of the Offer.

POSSIBLE SPECIAL DEAL

Pursuant to the Subscription Agreement, part of the proceeds from the Subscription will be applied to repay the Liabilities after Completion, including the Shareholders’ Indebtedness due to Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah, who are executive Directors and substantial Shareholders holding the Sale Shares through their respective holdings of 60% and 40% equity interest in the Vendor as at the date of this joint announcement.

The repayment of the Shareholders’ Indebtedness out of the proceeds from the Subscription, which is not extended to all other Shareholders, constitutes a special deal under Note 5 to Rule 25 of the Takeovers Code, and requires consent from the Executive. Such consent, if granted, will be conditional upon the approval of the Independent Shareholders by way of a poll at the EGM and the independent financial adviser to the Independent Board Committee publicly stating in its opinion that the terms of the Special Deal are fair and reasonable.

An application will be made to the Executive for its consent to the Special Deal under Rule 25 of the Takeovers Code.

RESTORATION OF PUBLIC FLOAT

Upon Completion but before the Offer, there will be 57,000,000 Shares held by the public Shareholders, representing approximately 5.32% of the entire issued share capital of the Company as enlarged by the issue and allotment of Subscription Shares.

In order to ensure a minimum of 25% public float as required under the Listing Rules immediately after the close of the Offer, each of the Offerors has undertaken to the Company that subject to the result of the possible Offer, they will take all necessary measures, including but not limited to, entering into placing arrangement to place down not less than an aggregate of 211,000,000 Shares (representing approximately 19.68% of the entire issued share capital of the Company as enlarged by the issue and allotment of Subscription Shares) held by the Offerors as soon as possible after the close of the Offer to persons who are third parties independent of the Company and its connected persons.

Assuming the Placing alone by the Offerors will be undertaken for restoration of the public float of the Company, immediately after completion of the Placing, not less than 268,000,000 Shares will be held by the public Shareholders, representing approximately 25% of the entire issued share capital of the Company as enlarged by the issue and allotment of Subscription Shares. Accordingly, sufficient public float as required under the Listing Rules will be maintained by the Company.

EGM

Relevant resolutions will be proposed to the Independent Shareholders at the EGM, to approve (i) the Subscription Agreement and transactions contemplated thereunder, including the granting of a specific mandate for the issue and allotment of the Subscription Shares; (ii) the Increase in Authorised Capital; and (iii) the Special Deal.

As at the date of this joint announcement, Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah are executive Directors and substantial Shareholders holding the Sale Shares through their respective holdings of 60% and 40% equity interest in the Vendor. As part of the proceeds from the Subscription will be applied towards repayment of the Liabilities, including the Shareholders' Indebtedness owed by the Company to Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah after Completion, they are believed to have material interests in the Subscription and the Special Deal. Accordingly, each of Mr. Tung Tat Wah, Mr. Michael, Wu Chun Wah and their respective associates will be required to abstain from voting in respect of the relevant resolutions approving the Subscription Agreement and the grant of the specific mandate to issue and allot the Subscription Shares, the Increase in Authorised Capital and the Special Deal at the EGM.

A circular containing, among other things, (i) details of the Sale and Purchase Agreement and the Subscription Agreement respectively and transactions contemplated thereunder, the Increase in Authorised Capital, and the Special Deal; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Subscription, the Special Deal and as to voting on the relevant resolutions; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Subscription, the Special Deal and as to voting on the relevant resolutions; and (iv) the notice of the EGM, will be despatched to the Shareholders on or before 29 May 2013.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Allan, Kwok Ming Fai, Mr. Robert, Siu Siu Ling and Mr. Stephen, Lee Ming Ching, has been formed to advise the Independent Shareholders in respect of the Subscription, the Special Deal and the possible Offer. Further announcement will be made when an independent financial adviser to the Independent Board Committee is appointed.

DESPATCH OF COMPOSITE OFFER DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offerors should normally post an offer document within 21 days of the date of this joint announcement. As the making of the Offer by the Offerors is subject to Completion, which in turn is subject to Independent Shareholders' approval at the EGM, pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Offerors will make an application to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code and to extend the despatch date of the offer document within 7 days from the Completion.

It is intended by the Offerors and the Board to combine the offer document and the offeree board circular into a composite offer document. Accordingly, a composite offer document (accompanied by the Form of Acceptance) in connection with the Offer setting out, inter alia, details of the Offer (including the expected timetable), the recommendation from the Independent Board Committee and advice from the independent financial adviser (to be appointed) to the Independent Board Committee in respect of the Offer, will be despatched by the Offerors and the Company jointly to the Shareholders. Independent Shareholders are encouraged to read the composite offer 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 in respect of the Offer, before deciding whether or not to accept the Offer.

WARNING:

The Offer will only be made if Completion takes place, which is subject to, inter alia, satisfaction and/or waiver of the conditions contained in the Sale and Purchase Agreement and the Subscription Agreement, including amongst others, the Independent Shareholders' approval, consent from the Executive on the Special Deal and resumption of trading in the Shares. Accordingly, the Completion may or may not take place and the Offer may or may not be made. Shareholders and potential investors should exercise extreme caution when dealing in the relevant securities of the Company.

Further announcement will be made by the Offerors and the Company on whether Completion will take place and if the Offer will be made.

SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 13 June 2008. On 18 January 2013, the Company was placed into first stage of delisting procedure pursuant to Practice Note 17 to the Listing Rules. Trading in the Shares will remain suspended until further notice.

INTRODUCTION

The Company was informed by the Vendor that on 30 April 2013, the Vendor and the Offerors entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell and the Offerors conditionally agreed to acquire the Sale Shares, representing approximately 20.83% of the entire issued share capital of the Company as at the date of this joint announcement. On the even date, the Company and the Offerors entered into the Subscription Agreement, pursuant to which the Company conditionally agreed to issue and allot and the Offerors conditionally agreed to subscribe in cash an aggregate of 1,000,000,000 Subscription Shares. The Subscription Shares represent approximately 13.89 times of the entire issued share capital of the Company as at the date of this joint announcement and approximately 93.28% of the entire issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares.

Salient terms of the Sale and Purchase Agreement and the Subscription Agreement are summarised below.

THE SALE AND PURCHASE AGREEMENT

Date: 30 April 2013

Parties: (i) Biggish Management Limited as the Vendor; and
(ii) the First Offeror and the Second Offeror as purchasers of the Sale Shares.

Sale Shares and the Consideration

Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to sell the Sale Shares, and the First Offeror and the Second Offeror conditionally agreed to purchase the First Sale Shares and the Second Sale Shares respectively free from all Encumbrances together with all rights attaching thereto including but not limited to all dividends paid, declared or made in respect thereof on or after the Sale and Purchase Completion Date.

Total Consideration for the Sale Shares shall be HK\$1,500,000, of which each of the First Offeror and the Second Offeror shall pay HK\$750,000 for the First Sale Shares and the Second Sale Shares respectively in cash in the following manner:

- (a) the Deposit totalling HK\$500,000 has been paid (HK\$250,000 by each of the Offerors) into the Escrow Bank Account upon signing of the Sale and Purchase Agreement; and
- (b) HK\$1,000,000, being the remaining balance of the total Consideration less the Deposit is payable (HK\$500,000 by each of the Offerors) by cashier order issued by a licensed bank in Hong Kong upon completion of the Sale and Purchase Agreement.

The Deposit (without interest and less all the costs and expenses payable by the purchasers under the Sale and Purchase Agreement) shall be refunded to the Offerors if completion of the Sale and Purchase Agreement does not take place on or before the Long Stop Date other than as a result of the default caused by any of the Offerors. However, if any default is caused by any of the Offerors, the Vendor shall be entitled to forfeit the relevant part of the Deposit paid by the defaulting Offeror and to refund the relevant part of the Deposit to the non-defaulting Offeror.

The Consideration was agreed between the Offerors and the Vendor on arm's length basis after taking into account of the audited net liabilities of the Company of approximately HK\$0.30 per Share as at 31 December 2012.

Conditions Precedent of the Sale and Purchase Agreement

Completion of the Sale and Purchase Agreement is conditional upon (i) the approval of the board of directors of the Vendor in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained; and (ii) the Subscription Agreement having become unconditional.

As at the date of this joint announcement, condition (i) above has been fulfilled. The Vendor and the Offerors shall use their best endeavours to satisfy and fulfil the above conditions and, in particular, shall procure that all information and documents required pursuant to the Takeovers Code, the Listing Rules, and other applicable rules, codes and regulations whether in connection with the preparation of all circulars, reports, documents, independent advice or otherwise are duly given promptly to the Vendor, each of the Offerors, the Stock Exchange, the SFC and other relevant regulatory authorities.

None of the above conditions are capable of being waived. If the above conditions have not been satisfied on or before 4:00 p.m. on the Long Stop Date, the Sale and Purchase Agreement shall cease and determine and thereafter none of the parties shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms of the Sale and Purchase Agreement.

Completion of the Sale and Purchase Agreement

Upon compliance with or fulfilment of the above condition precedent, completion of the Sale and Purchase Agreement shall take place on the Sale and Purchase Completion Date (or such other date as the parties to the Sale and Purchase Agreement may agree) when the Subscription Agreement shall be completed simultaneously.

THE SUBSCRIPTION AGREEMENT

Date: 30 April 2013

Parties: (i) the Company, as the issuer of the Subscription Shares; and
(ii) the First Offeror and the Second Offeror as the subscribers of the Subscription Shares.

Save for the Sale Shares, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Offerors are third parties independent of the Company and its connected persons under the Listing Rules.

The Offerors, its ultimate beneficial owners and parties acting in concert with any of them have not acquired any voting rights in the Company during the six months prior to the date of this joint announcement, and are not interested in any issued Shares or other relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this joint announcement.

The Subscription

Pursuant to the Subscription Agreement, the Company conditionally agreed to issue and allot and the Offerors conditionally agreed to subscribe in cash the 1,000,000,000 Subscription Shares, out of which the First Offeror agreed to subscribe 300,000,000 Shares at HK\$30,000,000, and the Second Offeror agreed to subscribe 700,000,000 Shares at HK\$70,000,000. The Subscription Shares represent approximately 13.89 times of the entire issued share capital of the Company as at the date of this joint announcement and approximately 93.28% of the entire issued share capital of the Company as enlarged by issue and allotment of the Subscription Shares.

The Subscription Price

The Subscription Price of HK\$0.1 per Subscription Share was determined after arm's length negotiations between the Company and the Offerors taking into account of the net liabilities of the Company of approximately HK\$0.30 per Share as at 31 December 2012.

The total Subscription Price of HK\$100,000,000 shall be satisfied as to HK\$30,000,000 by the First Offeror and as to HK\$70,000,000 by the Second Offeror, by cashier's orders issued by a licensed bank in Hong Kong made in favour of the Company at the Subscription Completion Date.

The Subscription Price at HK\$0.1 per Subscription Share represents:

- (i) the same price as each Sale Share;
- (ii) a discount of approximately 79.17% to the closing price of HK\$0.48 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (iii) a discount of approximately 79.59% to the average of the closing prices of approximately HK\$0.49 per Share for the last five trading days immediately prior to and including the Last Trading Date;
- (iv) a discount of approximately 80.77% to the average of the closing prices of approximately HK\$0.52 per Share for the last ten trading days immediately prior to and including the Last Trading Date;
- (v) a discount of approximately 81.48% to the average of the closing prices of approximately HK\$0.54 per Share for the last thirty trading days immediately prior to and including the Last Trading Date; and
- (vi) a premium of approximately HK\$0.40 over the latest audited net liabilities per Share of approximately HK\$0.30 calculated based on the Group's audited consolidated net liabilities of HK\$21,787,208 as at 31 December 2012 and 72,000,000 Shares in issue as at the date of this joint announcement.

Conditions Precedent of the Subscription Agreement

Completion of the Subscription is conditional upon the following conditions having been fulfilled:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in, the Subscription Shares and confirming that trading in the Shares will resume;

- (ii) the Shareholders who are not required to abstain from voting under the Listing Rules and the Takeovers Code approving at the EGM the (i) Increase in Authorised Capital; (ii) the Subscription Agreement and the transactions contemplated thereunder, including the allotment and issue of the Subscription Shares under the specific mandate and (iii) the Special Deal;
- (iii) trading in the Shares on the Stock Exchange not being revoked at any time prior to completion of the Subscription;
- (iv) the representations, warranties and undertakings made by or on behalf of the Company in the Subscription Agreement remaining true and accurate in all material respects;
- (v) all necessary consents and approvals as may be required to be obtained on the part of the Company in respect of the Subscription and the transactions contemplated under the Subscription Agreement having been obtained by the Company; and
- (vi) the Sale and Purchase Agreement having become unconditional (save for the condition of the Subscription Agreement to become unconditional).

As at the date of this joint announcement, condition (vi) above has been fulfilled. The Offerors and the Company shall use their best endeavours to satisfy and fulfill the above conditions and, in particular, shall procure that all information and documents required pursuant to the Takeovers Code, the Listing Rules, and other applicable rules, codes and regulations whether in connection with the preparation of all circulars, reports, documents, independent advice or otherwise are duly given promptly to the Company, the Offerors, the Stock Exchange, the SFC and other relevant regulatory authorities.

None of the above conditions are capable of being waived. If the above conditions have not been satisfied on or before 4:00 p.m. on the Long Stop Date, the Subscription Agreement shall cease and determine and thereafter none of the parties shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms of the Subscription Agreement.

Completion of the Subscription

Upon compliance with or fulfilment of all the above conditions, completion of the Subscription shall take place on the Subscription Completion Date (or such other date as the parties to the Subscription Agreement may agree) when the Sale and Purchase Agreement shall be completed simultaneously.

Ranking of the Subscription Shares

The Subscription Shares, when issued and fully paid, shall rank *pari passu* in all respects among themselves and with all the Shares in issue on the date of issue and allotment of the Subscription Shares except that they will not rank for any dividend or other distribution of the Company declared, made or paid by reference to a record date prior to the date of issue.

Specific Mandate and Listing

The Subscription Shares will be issued and allotted under a specific mandate to be approved by the Independent Shareholders at the EGM by an ordinary resolution.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

Fund Raising Activities in the Past Twelve Months

The Company did not raise any funds by issuing equity securities in the 12 months immediately preceding the date of this joint announcement.

Use of Proceeds

The net proceeds from the Subscription, after deduction of all related expenses, are estimated to be approximately HK\$98.0 million, which is intended to be applied towards the settlement of the Liabilities in full, working capital and possible investment of the Company. The net proceed per Share (as enlarged by the issue and allotment of the Subscription Shares) is estimated to be approximately HK\$0.09.

Reasons for the Subscription

The Company is incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the investments in the listed securities and in the unlisted equities with a potential for earnings growth and capital appreciation.

The following is a summary of the audited consolidated financial results of the Group for each of the two years ended 31 December 2011 and 2012 respectively.

	For the year ended 31 December 2011 (Audited)	For the year ended 31 December 2012 (Audited)
<i>HK\$</i>		
Revenue	132,120	190,960
Net loss before taxation and extraordinary items	(4,971,164)	(3,927,748)
Net loss after taxation and extraordinary items attributable to equity holders of the Group	(4,971,164)	(3,927,748)
Net liabilities	(17,859,460)	(21,787,208)

Trading in the Shares has been suspended since 13 June 2008, and the Company was placed into first stage of delisting procedure pursuant to Practice Note 17 to the Listing Rules on 18 January 2013. Financial performance of the Company deteriorated substantially in recent years. Revenue of the Company decreased from HK\$1.96 million in 2007 prior to the suspension of trading in the Shares to HK\$0.20 million in 2008 when the trading in the Shares was suspended, and fluctuated between HK\$0.13 million and HK\$0.23 million from 2009 to 2012. According to the audited financial results of the Company, the Company has been in net loss position for the past six years ended 31 December 2012. The net loss of the Company amounted to approximately HK\$72.03 million in 2007; HK\$8.23 million in 2008 and fluctuated between HK\$2.07 million and HK\$4.97 million from 2009 to 2012. As at 31 December 2012, audited net liabilities of the Company amount to approximately HK\$21.79 million, or HK\$0.3 per Share.

Transactions contemplated under the Subscription Agreements enable the Company to raise cash for working capital and investments, repayment of Liabilities and increase its capital base assuming the resumption of trading in the Shares takes place. It also improves the gearing ratio and strengthens the balance sheet of the Group as a whole.

Accordingly, the Directors (excluding Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah who abstained from voting at the Board meeting and the members of the Independent Board Committee who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the Subscription Agreement and the Special Deal) consider that the Subscription Agreement and the Special Deal are entered into on normal commercial terms, which are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INCREASE IN AUTHORISED CAPITAL

As at the date of this joint announcement, the authorised share capital of the Company is HK\$5,000,000 divided into 500,000,000 Shares at par value of HK\$0.01 each, of which 72,000,000 Shares have been issued and allotted as fully paid or credited as fully paid.

In order to facilitate the issue and allotment of the Subscription Shares and future expansion in the share capital of the Company, the Board proposes that the authorised share capital of the Company be increased from HK\$5,000,000 divided into 500,000,000 Shares to HK\$20,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,500,000,000 Shares.

The Increase in Authorised Capital is conditional upon the passing of an ordinary resolution by the Independent Shareholders at the EGM and the fulfillment of the conditions of the Sale and Purchase Agreement and the Subscription Agreement.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

Upon Completion, the Offerors and parties acting in concert with any of them will hold in aggregate 1,015,000,000 Shares, representing approximately 94.68% of the entire issued share capital of the Company as enlarged by the issue and allotment of Subscription Shares. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offerors will be required to make a mandatory unconditional cash offer for all the issued Shares which are not already acquired or agreed to be acquired by them and parties acting in concert with any of them.

Subject to Completion, Yu Ming will make the Offer on behalf of the Offerors on the following basis:

For each Offer Share. HK\$0.1 in cash

The Offer Price is the same as the price of the Sale Share and the Subscription Share. Please refer to the paragraph headed “Subscription Price” of this joint announcement for comparison of value on the Subscription Price.

As at the date of this joint announcement, the Company has 72,000,000 Shares in issue and there are no options, warrants or other derivatives or relevant securities issued and outstanding.

Assuming that there is no change in the issued share capital of the Company from the date of this joint announcement up to Completion, based on the Offer Price of HK\$0.1 per Offer Share, the entire issued share capital of the Company is valued at approximately HK\$107,200,000. As the Offerors and parties acting in concert with any of them will hold an aggregate of 1,015,000,000 Shares upon Completion, only 57,000,000 Shares will be subject to the Offer and the Offer is valued at approximately HK\$5,700,000.

Financial Resources

The Offerors intends to finance the Offer by their own internal resources. Yu Ming as the financial adviser to the Offerors in respect of the Offer is satisfied that sufficient financial resources are available to the Offerors to satisfy full acceptance of the Offer.

Highest and Lowest Prices

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 13 June 2008. The closing price per Share on the Last Trading Day was HK\$0.48.

Effect of Accepting the Offer

By accepting the Offer, the Independent Shareholders will sell their Shares fully paid and free from all liens, charges, Encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of posting of the offer document, which is expected to be issued jointly by the Offerors and the Company.

Overseas Shareholders

As the Offer to persons not reside in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of 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 in respect of such jurisdictions).

Stamp Duty

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

Information on the Offerors

The First Offeror, incorporated in the British Virgin Islands on 21 November 2012 with limited liability, is an investment holding company established for the purpose of holding the First Sale Shares and the First Subscription Shares. Prior to the date of the Sale and Purchase Agreement and the Subscription Agreement, the First Offeror has not conducted any business since its incorporation, and save for the cash to be used for the settlement of the relevant portion of the consideration payable for the First Sale Shares, the First Subscription Shares and the Offer, the First Offeror does not have any material assets as at the date of this joint announcement. The First Offeror is owned as to 50% by Long Surplus International Limited and 50% by Fame Image Limited respectively. Long Surplus International Limited is beneficially owned as to 66.66% by Ms. Wisery, Ho Hoi Yee and 33.33% by Ms. Lai Tsui Har. Fame Image Limited is beneficially owned as to 70% by Ms. Chan Pui Kwan and 30% by Mr. Tony, Wu Weihong.

The Second Offeror, incorporated in the British Virgin Islands on 21 November 2012 with limited liability, is an investment holding company established for the purpose of holding the Second Sale Shares and the Second Subscription Shares. Prior to the date of the Sale and Purchase Agreement and the Subscription Agreement, the Second Offeror has not conducted any business since its incorporation, and save for the cash to be used for the settlement of the relevant portion of the consideration payable for the Second Sale Shares, the Second Subscription Shares and Offer, the Second Offeror does not have any material assets as at the date of this joint announcement. The entire issued share capital of the Second Offeror is beneficially owned by Mr. Alex, Leung King Yue.

Brief backgrounds of the beneficial owners of the Offerors are set out below:

Ms. Wisery, Ho Hoi Yee, has over twelve years of experience in the news and media industry. She is currently the news editor (business) of a newspaper in Hong Kong.

Ms. Lai Tsui Har, has over fifteen years of experience in marketing and public relations of professional services, telecommunications and property and transportation sectors in Hong Kong. She has been working in PricewaterhouseCoopers Hong Kong since 2004 and currently an associate director of marketing and communications in PricewaterhouseCoopers Hong Kong.

Mr. Tony, Wu Weihong, has over twenty years of experience in business development and project investment in the PRC. He is currently an executive director of a private company engaged in cross-border investment and financial management projects, primarily in Hong Kong, PRC, Europe and other emerging markets.

Ms. Chan Pui Kwan (“*Ms. Chan*”), aged 46, a corporate banker for over a decade, worked in several prominent European banks, including Rabobank, ABN AMRO, Fortis and established the European desk for these banks to provide support to European companies expanding into China.

In 2002, Ms. Chan started her own company SINOVA to provide advice and support to investors entering into the PRC market, employing over 40 professionals with offices in three countries. In 2010, Dutch based financial group ANT acquired SINOVA and Ms Chan remained as Chief Executive Officer till September 2012.

She is currently the founder and Chief Executive Officer of Delta-Think (HK) Ltd, which provides advices to corporations for business expansion in public and private sectors; and the founder and Vice Chairman of HT Strategy Ltd, which provides business strategy advisory and financial management service in Hong Kong, PRC, Europe and other emerging markets. Ms. Chan is also the founder and chairman of China Business Club which is a networking organisation for decision makers of corporations in the Netherlands with an aim to help companies develop and grow their business in the PRC.

Ms. Chan has received numerous awards in China and Hong Kong. In 2010, she was awarded “China’s Economy Industry Promotion Person of the Year Award” from Xinhua Economic Information Daily of Xinhua News Agency and China International Center for Economic and Technical Exchanges of Ministry of Commerce of the PRC. At the same year, she was also selected as one of “China’s 100 Outstanding Female Entrepreneurs” (中國百名傑出女企業家) by the China Association of Women Entrepreneurs. In 2006, she was awarded Hong Kong’s “Shooting Star” in the Cathay Pacific China Trade Awards in the Netherlands.

Ms. Chan has been active in the community services and holds advisory positions in various institutions, including the Hong Kong General Chamber of Commerce, Dutch Chamber in Hong Kong, the Shenzhen Association of Trade in Service and the Economic Development Board of Rotterdam in the Netherlands. Ms. Chan holds a degree in Banking and Insurance from Rotterdam Business School in the Netherlands.

Mr. Alex, Leung King Yue (“Mr. Leung”), aged 35, is a responsible officer of two asset management companies and licensed under the SFO to carry out types 4 (securities advisory), 6 (corporate finance advisory) and 9 (asset management) regulated activities. He has 12 years of experience in financial services sector including 3 years investment banking experience and over nine years of experience in private equity investment and asset management. He was an executive director of Mastermind Capital Limited (formerly known as Apex Capital Limited) during the period from 9 March 2007 to 12 May 2010, and UBA Investments Limited during the period from 17 July 2007 to 1 December 2008, both of which are listed on the Main Board of the Stock Exchange and an executive director of Viva China Holdings Limited (formerly known as Coolpoint Energy Limited) during the period from 14 July 2008 to 23 June 2010, a company listed on the GEM board of the Stock Exchange. Mr. Leung is currently an independent non-executive director of First Natural Foods Holdings Limited from December 2008, a company listed on the Main Board of the Stock Exchange.

Mr. Leung holds a bachelor degree in Commerce specialising in Economics and Finance from the University of Melbourne in Australia and is a Chartered Financial Analyst of the United States of America.

Offerors’ Dealing and Interests in Securities of the Company

Save for the Sale Shares and the Subscription Shares, none of the Offerors nor parties acting in concert with any of them have 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.

The Offerors confirm that as at the date of this joint announcement:

- (i) save for the Sale Shares and the Subscription Shares, none of the Offerors nor parties acting in concert with any of them owned, controlled or have direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;

- (ii) none of the Offerors nor parties acting in concert with any of them have received any irrevocable commitment to accept the Offer;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of any of the Offerors or the Shares and which might be material to the Offer;
- (iv) save for the Sale and Purchase Agreement and the Subscription Agreement, there is no agreement or arrangement to which the Offerors 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
- (v) none of the Offerors nor parties acting in concert with any of them have entered into any arrangements or contracts in relation to the outstanding derivatives in respect of securities in the Company nor has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

Intentions of the Offerors Regarding the Group

Following Completion, the Offerors intends to continue the existing businesses of the Group with the existing management. As at the date of this joint announcement, the Offerors have no plan to introduce major changes relating to redeployment of the fixed assets of the Company or inject any assets or businesses into the Group or to procure the Group to acquire or dispose of any assets after Completion.

Immediately after the close of the Offer, the Offerors will conduct a review of the financial position and investments of the Group in order to formulate a long-term strategy for the Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the date of this joint announcement, the Offerors has not identified such investment or business opportunities.

Currently, the Board comprises Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah as executive Directors and Mr. Allan, Kwok Ming Fai, Mr. Robert, Siu Siu Ling, and Mr. Stephen, Lee Ming Ching as independent non-executive Directors. Subject to Completion, the Offerors intend to nominate new Directors to the Board and to procure all, save for Mr. Allan, Kwok Ming Fai, other existing Directors to resign with effect from the earliest time permitted under the Takeovers Code.

The Offerors intend to appoint Ms. Chan Pui Kwan, Mr. Alex, Leung King Yue and Mr. Roland, Ma Chun Fai as executive Directors; and Mr. Erik, Lo Chi Ming, and Mr. Jochum Haakma as independent non-executive Directors.

Information on Proposed Directors

Particulars of Ms. Chan Pui Kwan and Mr. Alex, Leung King Yue can be found in the paragraph headed “Information on the Offerors” of this joint announcement, brief biographies of Mr. Roland, Ma Chun Fai, Mr. Erik, Lo Chi Ming and Mr. Jochum Haakma are set out in the following paragraphs.

Rule 21.04 of the Listing Rules requires, amongst others, that the Stock Exchange must be satisfied as to the character, experience and integrity of the directors of any investment company and each of the directors must be able to demonstrate a standard of competence commensurate with their position in relation to the issuer. As at the date of this joint announcement, the Stock Exchange has not expressed any view on the suitability of any of the Directors proposed to be appointed by the Offerors.

Mr. Roland, Ma Chun Fai (“Mr. Ma”), aged 43, he has over 10 years of experience in private equity investment and is currently the investment director of Delta-Think (HK) Ltd, which provides advices to corporations for business expansion in public and private sectors. He was involved in a number of fund raising activities in Hong Kong, the PRC and Singapore, including fund raising and fund management on (i) a bio-tech project that involve co-investment with a listed company in Hong Kong; (ii) an advance IT platform company in Singapore; and (iii) hospitality asset management in the PRC.

Mr. Ma holds a bachelor degree in Management Science from London School of Economics and Political Science in United Kingdom.

Mr. Erik, Lo Chi Ming (“Mr. Lo”), aged 48, he is a solicitor of the High Court of Hong Kong with over 17 years of experience in private practice. Mr. Lo is currently a consultant at Messers Wat & Co., Solicitors and possessed 6 years of experience in the banking industry and was elected as an Associate of the Chartered Institute of Bankers. Mr. Lo is currently an independent non-executive director of China Investment and Finance Group Limited from October 2010, a company listed on the Main Board of the Stock Exchange.

Mr. Lo holds a Bachelor of Social Sciences degree and Postgraduate Certificate in Laws from the University of Hong Kong and a diploma in Chinese Laws from the SouthWest University of Political Science & Law in the PRC.

Mr. Jochum Haakma (“Mr. Haakma”), aged 63, he is the Global Director of business development of the TMF Group BV in Amsterdam in 2007, TMF Group BV is a provider of high-end administrative outsourcing services to international companies worldwide with more than 130 wholly owned offices in over 80 countries. He was appointed Director of the Netherlands Foreign Investment Agency (NFIA) within the Ministry of Economic Affairs in The Hague in 2006. NFIA is responsible for attracting foreign direct investments to the Netherlands. In 2002, He was appointed Consul General of the Kingdom of the Netherlands in Shanghai, also responsible for Jiangsu, Zhejiang and Anhui

Provinces and was a member of the Advisory Board of the Benelux Business Association and founder of the prestigious CEO LunchClub consisting of the CEO's in China of the Dutch listed companies in the Netherlands.

From 1997 until 2002, Mr. Haakma was the Consul General of the Kingdom of the Netherlands in Hong Kong and Macau and the Chairman of the Advisory Board of the Dutch Business Association in Hong Kong. In 1993, he was the Managing Director of the Centre for the Promotion of Imports from Developing Countries in Rotterdam, which is an agency under the Ministry of Foreign Affairs of the Netherlands. In 1989, he became the Director of the Indonesian Netherlands Association, and was appointed as representative of the Port and City of Rotterdam and the President of the Indonesian Forum of national and bilateral Chambers of Commerce.

Mr. Haakma was appointed as Commercial Counsellor and Head of the Economic Section at the Royal Netherlands Embassy in Jakarta in 1986, He has also worked in embassies in Rome, Lusaka and Bonn.

Mr. Haakma is currently an advisory board member of the Cathay Pacific China Trade Award and numerous institutions and organisations with a Far East link. He has been appointed in April 2008 to Chairman of the Board of The Netherlands Council for Trade Promotion and in June 2008 to Chairman of The China Working Group of the Holland Financial Centre. Furthermore, he is also member of the International Steering Committee of Nyenrode University and is the former Chief Advisor Public Affairs European Region for Huawei Technologies Co., Ltd., one of the biggest telecom infrastructure suppliers in the world.

Mr. Haakma holds a Law degree from the University of Utrecht in the Netherlands. He received an honorary Doctorate Degree of the European University in Barcelona in Spain.

Maintaining the Listing Status of the Group

The Offerors intends to maintain the listing of the Shares on the Main Board of the Hong Kong Stock Exchange after closing of the Offer.

If, at the close of the Offer, less than 25% of the Shares will be held by the public, and if the Hong Kong Stock Exchange believes that:

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

the Stock Exchange may exercise its discretion to suspend dealings in the Shares. In this connection, the Company will take appropriate steps to ensure that sufficient public float will be maintained in compliance with the Listing Rules. Details of the possible measure by the Offerors are set out in the paragraph headed "Restoration of public float" of this joint announcement.

SPECIAL DEAL

As at the date of this joint announcement, Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah are executive Directors and substantial Shareholders holding the Sale Shares through their respective holdings of 60% and 40% equity interest in the Vendor. Pursuant to the Subscription Agreement, part of the proceeds from the Subscription will be applied to repay the Liabilities after Completion, including the Shareholders' Indebtedness due to Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah.

The repayment of the Shareholders' Indebtedness out of the proceeds from the Subscription, which is not extended to all the other Shareholders, constitutes a special deal under Note 5 to Rule 25 of the Takeovers Code, and requires the consent from the Executive. Such consent, if granted, will be conditional upon the approval of the Independent Shareholders by way of a poll at the EGM and the independent financial adviser to the Independent Board Committee publicly stating in its opinion that the terms of the Special Deal is fair and reasonable.

An application will be made to the Executive for its consent to the Special Deal under Rule 25 of the Takeovers Code.

An ordinary resolution will be proposed at the EGM to approve the Special Deal by the Independent Shareholders.

SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; (ii) upon completion of the Sale and Purchase Agreement; (iii) upon Completion but before the Offer; and (iv) upon Completion, completion of the Offer and the Placing:

Shareholder	As at the date of this joint announcement		Upon completion of the Sale and Purchase Agreement		Upon Completion but before the Offer		Upon Completion, completion of the Offer and the Placing	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Vendor (<i>Note 1</i>)	15,000,000	20.83%	—	—	—	—	—	—
<i>Offerors and parties acting in concert with any of them</i>								
— First Offeror	—	—	7,500,000	10.415%	307,500,000	28.68%	244,200,000	22.78%
— Second Offeror	—	—	7,500,000	10.415%	707,500,000	66.00%	559,800,000	52.22%
<i>Subtotal</i>	—	—	15,000,000	20.83%	1,015,000,000	94.68%	804,000,000	75.00%

Shareholder	As at the date of this joint announcement		Upon completion of the Sale and Purchase Agreement		Upon Completion but before the Offer		Upon Completion, completion of the Offer and the Placing	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
Cheong Chi Man (Note 2)	7,350,000	10.21%	7,350,000	10.21%	—	—	—	—
<i>Public Shareholders</i>								
Cheong Chi Man (Note 2)	—	—	—	—	7,350,000	0.69%	7,350,000	0.69%
Hugger Thomas Eugen	3,780,000	5.25%	3,780,000	5.25%	3,780,000	0.35%	3,780,000	0.35%
Placees	—	—	—	—	—	—	211,000,000	19.68%
Existing Public Shareholders	45,870,000	63.71%	45,870,000	63.71%	45,870,000	4.28%	45,870,000	4.28%
<i>Sub-total (Public float)</i>	<u>49,650,000</u>	<u>68.96%</u>	<u>49,650,000</u>	<u>68.96%</u>	<u>57,000,000</u>	<u>5.32%</u>	<u>268,000,000</u>	<u>25.00%</u>
Total	<u><u>72,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>72,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>1,072,000,000</u></u>	<u><u>100.00%</u></u>	<u><u>1,072,000,000</u></u>	<u><u>100.00%</u></u>

Notes:

- As at the date of this joint announcement, Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah are interested in the equity interest of the Vendor of 60% and 40% respectively. Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah are deemed to be interested in 15,000,000 Shares held by the Vendor.
- As at the date of this joint announcement, Mr. Cheong Chi Man is a substantial Shareholder holding 10.21% of the entire issued share capital of the Company. Upon Completion, Mr. Cheong Chi Man's interest in the Shares will be reduced to 0.69% and will be regarded as part of the public float.

Restoration of Public Float

As illustrated in the shareholding structure above, upon Completion but before the Offer, there will be 57,000,000 Shares held by the public Shareholders, representing approximately 5.32% of the entire issued share capital of the Company as enlarged by the issue and allotment of Subscription Shares.

In order to ensure a minimum of 25% public float as required under the Listing Rules immediately after the close of the Offer, each of the Offerors has undertaken to the Company that subject to the result of the possible Offer, they will take all necessary measures, including but not limited to, entering into the Placing arrangement to place down not less than an aggregate of 211,000,000 Shares (representing approximately 19.68% of the entire issued share capital of the Company as enlarged by the issue and allotment of Subscription Shares) held by the Offerors as soon as possible after the close of the Offer to persons who are third parties independent of the Company and its connected persons.

Assuming the Placing alone by the Offerors will be undertaken for restoration of the public float of the Company, immediately after completion of the Placing, not less than 268,000,000 Shares will be held by the public Shareholders, representing approximately 25% of the entire issued share capital of the Company as enlarged by the issue and allotment of Subscription Shares. Accordingly, sufficient public float as required under the Listing Rules will be maintained by the Company.

EGM

Relevant resolutions will be proposed to the Independent Shareholders at the EGM, to approve (i) the Subscription Agreement and transactions contemplated thereunder, including the granting of a specific mandate for the issue and allotment of the Subscription Shares; (ii) the Increase in Authorised Capital; and (iii) the Special Deal.

As at the date of this joint announcement, Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah are executive Directors and substantial Shareholders holding the Sale Shares through their respective holdings of 60% and 40% equity interest in the Vendor. As part of the proceeds from the Subscription will be applied towards repayment of the Liabilities, including the Shareholders' Indebtedness owed by the Company to Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah after Completion, they are believed to have material interests in the Subscription and the Special Deal. Accordingly, each of Mr. Tung Tat Wah, Mr. Michael, Wu Chun Wah and their respective associates will be required to abstain from voting in respect of the relevant resolutions approving the Subscription Agreement and the grant of the specific mandate to issue and allot the Subscription Shares thereunder, the Increase in Authorised Capital and the Special Deal at the EGM.

A circular containing, among other things, (i) details of the Sale and Purchase Agreement and the Subscription Agreement respectively and the transactions contemplated thereunder, the Increase in Authorised Capital and the Special Deal; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Subscription, the Special Deal and as to voting on the relevant resolutions; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee setting out its view in respect of the Subscription, the Special Deal and as to voting on the relevant resolutions; and (iv) the notice of the EGM will be despatched to the Shareholders on or before 29 May 2013.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Allan, Kwok Ming Fai, Mr. Robert, Siu Siu Ling and Mr. Stephen, Lee Ming Ching, has been formed to advise the Independent Shareholders in respect of the Subscription, the Special Deal and the possible Offer. Further announcement will be made when the independent financial adviser to the Independent Board Committee is appointed.

DESPATCH OF COMPOSITE OFFER DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offerors should normally post an offer document within 21 days of the date of this joint announcement. As the making of the Offer by the Offerors is subject to Completion, which in turn is subject to Independent Shareholders' approval at the EGM, pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Offerors will make an application to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code and to extend the despatch date of the offer document within 7 days from the Completion.

It is intended by the Offerors and the Board to combine the offer document and the offeree board circular into a composite offer document. Accordingly, a composite offer document (accompanied by the Form of Acceptance) in connection with the Offer setting out, inter alia, details of the Offer (including the expected timetable), the recommendation from the Independent Board Committee and advice from the independent financial adviser (to be appointed) to the Independent Board Committee in respect of the Offer, will be despatched by the Offerors and the Company jointly to the Shareholders. Independent Shareholders are encouraged to read the composite offer 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 in respect of the Offer, before deciding whether or not to accept the Offer.

Disclosure of Dealings in the Securities of the Company

Associates (including a person who owns or controls 5% or more of any class of relevant securities) of the Offerors and the Company are reminded to disclose their dealings in the securities of the Company in accordance with Rule 22 of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Stockbrokers, banks and others who deal in relevant securities on behalf of their clients should note that they 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.

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

WARNING: The Offer will only be made if Completion takes place, which is subject to, inter alia, satisfaction and/or waiver of the conditions contained in the Sale and Purchase Agreement and the Subscription Agreement, including amongst others, the Independent Shareholders' approval, consent from the Executive on the Special Deal and resumption of trading in the Shares. Accordingly, the Completion may or may not take place and the Offer may or may not be made. Shareholders and potential investors should exercise extreme caution when dealing in the relevant securities of the Company. Further announcement will be made by the Offerors and the Company on whether Completion will take place and if the Offer will be made.

SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 13 June 2008. On 18 January 2013, the Company was placed into first stage of delisting procedure pursuant to Practice Note 17 to the Listing Rules. Trading in the Shares will remain suspended until further notice.

DEFINITIONS

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

“acting in concert”	the meaning ascribed to it under the Takeovers Code
“associates”	the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors of the Company
“Business Day(s)”	a day (other than a Saturday, Sunday, public holidays and days on which a tropical cyclone warning signal no.8 or above or a black rainstorm warning signal is hosted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are generally open for business throughout their normal business hours
“China” or “PRC”	the People’s Republic of China
“Company”	Incutech Investments Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement and the Subscription Agreement
“connected person”	has the same meaning ascribed to it under the Listing Rules

“Consideration”	consideration payable for the sale and purchase of the Sale Shares under the Sale and Purchase Agreement
“Deposit”	an aggregate sum of HK\$500,000, being the deposit and partial payment of the Consideration, out of which HK\$250,000 has been paid by the First Offeror to the Vendor and HK\$250,000 has been paid by the Second Offeror to the Vendor into the Escrow Bank Account upon the signing of the Sale and Purchase Agreement
“Director(s)”	director(s) of the Company from time to time
“Directors’ Fee”	fees due to Directors as at the Subscription Completion Date. As at 31 March 2013, such fees amounted to approximately HK\$7.0 million, which includes approximately HK\$6.3 million due to Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah. The actual amount will be accrued up to the Subscription Completion Date
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving (i) the Subscription Agreement and the transactions contemplated thereunder, including the granting of a specific mandate for the issue and allotment of the Subscription Shares; (ii) the Increase in Authorised Capital; and (iii) the Special Deal, or any adjournment thereof
“Encumbrances”	any mortgage, charge, pledge, restriction, lien, (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, trust arrangement, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Escrow Bank Account”	an escrow bank account held in the joint names of Ms. Chan Pui Kwan and Mr. Tung Tat Wah (who were appointed by the Vendor and the Offerors as the escrow agents) who shall be the joint signatories of the bank account for the purpose of escrowing the Deposit in accordance to the terms and conditions of the Sale and Purchase Agreement
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“First Offeror”	Sharp Years Limited, which is a company incorporated in the British Virgin Islands with limited liability, the purchaser of the First Sale Shares and the subscriber of the First Subscription Shares
“First Sale Shares”	7,500,000 Shares held by the Vendor as at the date of this joint announcement, representing approximately 10.42% of the entire issued share capital of the Company

“First Subscription Shares”	300,000,000 new Shares to be issued and allotted pursuant to the Subscription Agreement
“Form of Acceptance”	the form of acceptance and transfer of Shares in respect of the Offer which forms part of the composite offer document
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Capital”	the proposed increase in the authorised share capital of the Company from HK\$5,000,000 to HK\$20,000,000 by the creation of additional 1,500,000,000 Shares subject to the passing of an ordinary resolution by the Shareholders at the EGM and conditional upon fulfillment of the conditions of the Sale and Purchase Agreement and the Subscription Agreement
“Independent Board Committee”	the independent board committee of the Company formed for the purpose of advising the Independent Shareholders in respect of the Subscription, the Special Deal and the possible Offer
“Independent Shareholders”	holders of the Shares, other than the Offerors and parties acting in concert with any of them, the Vendor, its beneficial owners, namely Mr. Tung Tat Wah, Mr. Michael, Wu Chun Wah, and their respective associates
“Last Trading Date”	12 June 2008, the last trading date before the suspension of trading in the Shares
“Liabilities”	the liabilities of the Company as at the Subscription Completion Date. As at 31 March 2013, such liabilities amounted to approximately HK\$28.7 million, including, inter alia (i) the Shareholders’ Indebtedness; (ii) Directors’ Fee and staff salaries; and (iii) other expenses and liabilities incurred in the ordinary course of business of the Company. The actual amount will be accrued up to the Subscription Completion Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 July 2013 or such other date as the parties to the Sale and Purchase Agreement and the Subscription Agreement may agree
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM Board of the Stock Exchange

“Offer”	subject to Completion, the possible mandatory unconditional cash offer for all the issued Shares (other than those already acquired by or agreed to be acquired by the Offerors and parties acting in concert with any of them) to be made by Yu Ming on behalf of the Offerors at the Offer Price
“Offerors”	the First Offeror and the Second Offeror
“Offer Price”	HK\$0.1 per Offer Share
“Offer Share(s)”	57,000,000 Shares subject to the Offer
“Overseas Shareholder(s)”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“Placing”	the possible placing arrangement to be entered into by the Offerors to place not less than 211,000,000 Shares to the independent third parties after the close of the Offer to restore the public float of the Company in accordance with Rule 8.08(1) of the Listing Rules
“Sale and Purchase Agreement”	the conditional agreement dated 30 April 2013 entered into between the Offerors and the Vendor in relation to the sale and purchase of the Sale Shares
“Sale and Purchase Completion Date”	the fifth Business Day after the fulfillment of the conditions precedent referred to in the Sale and Purchase Agreement (or such other date as the parties hereto may agree)
“Sale Share(s)”	15,000,000 Shares to be acquired by the Offerors from the Vendor pursuant to the Sale and Purchase Agreement, representing approximately 20.83% of the entire issued share capital of the Company as at the date of this joint announcement, being the aggregate of the First Sale Shares and the Second Sale Shares
“Second Offeror”	Hugo Lucky Limited, which is a company incorporated in the British Virgin Islands with limited liability, the purchaser of the Second Sale Shares and the subscriber of the Second Subscription Shares
“Second Sale Shares”	7,500,000 Shares, representing approximately 10.42% of the entire issued share capital of the Company, held by the Vendor
“Second Subscription Shares”	700,000,000 new Shares to be issued and allotted pursuant to the Subscription Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Shareholders’ Indebtedness”	(i) working capital loans advanced by Mr. Tung Tat Wah to the Company from time to time up to the Subscription Completion Date, which amounts to approximately HK\$8.0 million as at 31 March 2013; and (ii) the directors’ fee due to Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah as at the Subscription Completion Date. As at 31 March 2013, such fees amounted to approximately HK\$6.3 million. The actual amount will be accrued up to the Subscription Completion Date. The working capital loans advanced by Mr. Tung Tat Wah to the Company are unsecured, interest free and no fixed term of repayment
“Special Deal”	the repayment of the Shareholders’ Indebtedness out of the proceeds from the Subscription, which constitute a special deal according to Note 5 to Rule 25 of the Takeovers Code
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by the Offerors and the allotment and issue by the Company of the Subscription Shares under the terms and the conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 30 April 2013 and entered into between the Company and the Offerors in relation to the Subscription
“Subscription Completion Date”	the fifth Business Day after the fulfillment of the conditions precedent to the Subscription Agreement (or such other date as the parties hereto may agree)
“Subscription Price”	a subscription price of HK\$0.1 per Subscription Share
“Subscription Share(s)”	1,000,000,000 Shares to be subscribed by the Offerors, representing approximately 13.89 times of the entire issued share capital of the Company as at the date of this joint announcement, being the aggregate of the First Subscription Shares and the Second Subscription Shares
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers issued by the SFC

“Vendor”	Biggish Management Limited, which is a company incorporated in the British Virgin Islands, a substantial Shareholder holding approximately 20.83% of the entire issued share capital of the Company as at the date of this joint announcement and owned as to 60% and 40% by Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah respectively
“Yu Ming”	Yu Ming Investment Management Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation under the SFO authorised to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the board of directors

Sharp Years Limited

Chan Pui Kwan

Director

By order of the board of directors

Hugo Lucky Limited

Alex, Leung King Yue

Director

By order of the Board

Incutech Investments Limited

Tung Tat Wah

Executive Director

Hong Kong, 6 May 2013

As at the date of this joint announcement, the directors of the First Offeror comprises Ms. Wisery, Ho Hoi Yee, Ms. Lai Tsui Har, Mr. Tony, Wu Weihong and Ms. Chan Pui Kwan, who jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Second Offeror, the Group, the Vendor and parties acting in concert with any of them) 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 Second Offeror, the Group, the Vendor and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Second Offeror is Mr. Alex, Leung King Yue, who accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the First Offeror, the Group, the Vendor and parties acting in concert with any of them) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the First Offeror, the Group, the Vendor and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the Board of Directors comprises Mr. Tung Tat Wah and Mr. Michael, Wu Chun Wah as executive Directors; Mr. Allan, Kwok Ming Fai, Mr. Robert, Siu Siu Ling and Mr. Stephen, Lee Ming Ching as 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 those relating to the Offerors and parties acting in concert with any of them) 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 Offerors and parties acting in concert with any of them) 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.