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PHOENIX TIME HOLDINGS LIMITED

(Incorporated in the British Virgin Islands with limited liability)

i-CONTROL HOLDINGS LIMITED

超智能控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8355)

JOINT ANNOUNCEMENT

**(1) ACQUISITION OF SALE SHARES IN
i-CONTROL HOLDINGS LIMITED BY
PHOENIX TIME HOLDINGS LIMITED**

**(2) UNCONDITIONAL MANDATORY CASH OFFER BY
CENTRAL CHINA INTERNATIONAL CAPITAL LIMITED
FOR**

**AND ON BEHALF OF PHOENIX TIME HOLDINGS LIMITED
FOR ALL THE ISSUED SHARES IN
i-CONTROL HOLDINGS LIMITED (OTHER THAN THOSE
ALREADY OWNED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT)**

AND

(3) RESUMPTION OF TRADING

Financial adviser to Phoenix Time Holdings Limited



中州國際融資有限公司
Central China International Capital Limited

Joint financial advisers to the Company



Euto Capital Partners Limited



Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

THE SALE AND PURCHASE AGREEMENT

The Company was informed by the Vendors that on 6 October 2017, the Offeror and the Vendors entered into the Sale and Purchase Agreement pursuant to which the Offeror agreed to acquire, and the Vendors agreed to sell, the Sale Shares, being 600,000,000 Shares (representing 60.00% of the entire issued share capital of the Company as at the date of this joint announcement). Immediately after completion of the Sale and Purchase Agreement, save that Dr. Wong King Keung was interested in 150,000,000 Shares (representing 15.00% of the issued share capital of the Company as at the date of this joint announcement), the Vendors ceased to be interested in any Shares.

The aggregate consideration for the Sale Shares is HK\$216,000,000 (representing HK\$0.36 per Sale Share) which was agreed among the Offeror and the Vendors after arm's length negotiations. Completion took place immediately following the execution of the Sale and Purchase Agreement on 6 October 2017.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to the Completion, the Offeror and parties acting in concert with it were not interested in any Shares.

Immediately following the Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it were interested in 600,000,000 Shares, representing 60.00% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares other than those already owned by the Offeror and parties acting in concert with it.

Central China International Capital Limited, for and on behalf of the Offeror, will make the Offer, in compliance with the Takeovers Code on the following terms:

For each Offer Share HK\$0.36 in cash

The Offer Price of HK\$0.36 per Offer Share is the same as the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer is unconditional in all respects. As at the date of this joint announcement, the Company has 1,000,000,000 Shares in issue. The Directors confirm that, save for the 1,000,000,000 Shares, the Company has no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares and the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

The principal terms of the Offer are set out under the section headed "Unconditional mandatory cash offer" below in this joint announcement. Central China International Capital Limited has been appointed as the financial adviser to the Offeror in respect of the Offer and is satisfied that there are sufficient financial resources available to the Offeror to satisfy the consideration payable upon full acceptance of the Offer.

GENERAL

An Independent Board Committee, comprising all the three independent non-executive Directors namely Dr. Chan Man Hung, Dr. Lai Wing Chueng and Mr. Lum Pak Sum, will be established to advise the Independent Shareholders in relation to the terms and conditions of the Offer. The two non-executive Directors namely Dr. Wong King Keung and Mr. Lin Wing Ching are not members of the Independent Board Committee as they are among the Vendors and are hence considered to be interested in the Offer. An Independent Financial Adviser will be appointed by the Company after approval by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer. An announcement will be made by the Company as soon as possible after the appointment of the Independent Financial Adviser.

COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the Form of Acceptance, to the Shareholders within 21 days of the date of this joint announcement, or such later date as the Executive may approve.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular in the Composite Document. Accordingly, the Composite Document (accompanied by the Form of Acceptance) in connection with the Offer setting out, inter alia, details of the Offer (including the expected timetable and terms and conditions of the Offer) and incorporating the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser on the Offer will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code, within 21 days of the date of this joint announcement, or such later date as the Executive may approve.

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 in respect of the Offer, before deciding whether or not to accept the Offer.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares was suspended with effect from 1:00 p.m. on Friday, 6 October 2017 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Monday, 16 October 2017.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offer and a letter of advice from the Independent Financial Adviser. Shareholders and potential investors should exercise caution when dealing in the Shares during the Offer Period. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

ACQUISITION OF SALE SHARES

Reference is made to the announcements of the Company dated 18 July 2017, 17 August 2017 and 11 September 2017 respectively in relation to, among other things, the entering into of the MOU and the negotiation between the Offeror as potential purchaser and the Vendors as potential vendors, in connection with a possible acquisition of the Sale Shares.

The Company was informed by the Vendors that on 6 October 2017, the Offeror and the Vendors entered into the Sale and Purchase Agreement pursuant to which the Offeror agreed to acquire and the Vendors agreed to sell the Sale Shares, being 600,000,000 Shares (representing 60.00% of the entire issued share capital of the Company as at the date of this joint announcement).

The principal terms of the Sale and Purchase Agreement are summarised below:

THE SALE AND PURCHASE AGREEMENT

Date 6 October 2017

Parties

Vendors:

- (1) Dr. Wong King Keung
(in respect of 139,500,000 Shares, representing 13.95% of the issued share capital of the Company as at the date of this joint announcement)
- (2) Mr. Tong Sai Wong
(in respect of 148,500,000 Shares, representing 14.85% of the issued share capital of the Company as at the date of this joint announcement)
- (3) Mr. Chan Wing Yiu
(in respect of 148,500,000 Shares, representing 14.85% of the issued share capital of the Company as at the date of this joint announcement)
- (4) Mr. Chan Wing Lun
(in respect of 148,500,000 Shares, representing 14.85% of the issued share capital of the Company as at the date of this joint announcement)
- (5) Mr. Lin Wing Ching
(in respect of 15,000,000 Shares, representing 1.5% of the issued share capital of the Company as at the date of this joint announcement)

Purchaser: Offeror

Sale Shares

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Vendors shall sell, and the Offeror shall acquire, the Sale Shares free from all Encumbrances and together with all rights and entitlements which the Vendors have in the Sale Shares on the date of the Sale and Purchase Agreement (including but not limited to any distributions, dividends, share options, warrants, bonus and rights issue) attaching to them.

The Sale Shares represent 60.00% of the entire issued share capital of the Company as at the date of this joint announcement.

Consideration

The aggregate consideration for the Sale Shares is HK\$216,000,000 (representing HK\$0.36 per Sale Share) which was agreed among the Offeror and the Vendors after arm's length negotiations, HK\$15,000,000 of which had been paid by the Offeror in cash prior to Completion and HK\$201,000,000 paid on Completion. A portion of the aggregate consideration for the Sale Shares was financed by a loan to the Offeror from Brilliant Future Limited, a company incorporated in the BVI with limited liability, whose sole ultimate beneficial owner is Mr. Cheng and whose directors are Mr. Cheng and Ms. Chim. As such, Brilliant Future Limited is presumed to be acting in concert with the Offeror under the Takeovers Code. Neither the Sale Shares nor Offer Shares to be acquired by the Offeror are subject to any security or pledge arrangement in connection with such financing.

Save for the consideration paid by the Offeror to the Vendors under the Sale and Purchase Agreement, there is no other consideration, compensation or benefit in whatever form provided by the Offeror or parties acting in concert with it to the Vendors or parties acting in concert with any of them.

Completion

The Completion took place immediately following the execution of the Sale and Purchase Agreement on 6 October 2017. Immediately following the Completion and as at the date of this joint announcement, save that Dr. Wong King Keung was interested in 150,000,000 Shares (representing 15% of the issued share capital of the Company as at the date of this joint announcement) the Vendors ceased to be interested in any Shares.

Undertaking

Pursuant to the terms and conditions of the Sale and Purchase Agreement, Dr. Wong King Keung (who was interested in 150,000,000 Shares immediately following the Completion) has irrevocably agreed and undertaken to the Offeror that, (i) prior to the close of the Offer, he will not, whether directly or indirectly, sell, transfer, charge, pledge, grant any option over or otherwise dispose of or create any Encumbrances in respect of any of the Shares held by him or any interest in any of the Shares held by him, save for Sale Shares held by him and (ii) he will not tender any or all of the Shares held by him for acceptance under the Offer.

Upon close of the Offer, it is expected that Dr. Wong King Keung will hold 15.00% of the issued share capital of the Company.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately prior to the Completion, the Offeror and parties acting in concert with it were not interested in any Shares.

Immediately following the Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with it were interested in 600,000,000 Shares, representing 60.00% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares other than those already owned by the Offeror and parties acting in concert with it.

As at the date of this joint announcement, the Company has 1,000,000,000 Shares in issue, and does not have any outstanding options, derivatives or warrants or other securities which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such Shares, options, derivatives or warrants or other securities of the Company.

Principal terms of the Offer

Central China International Capital Limited, for and on behalf of the Offeror, will make the Offer to acquire all the Offer Shares, in compliance with the Takeovers Code on terms to be set out in the Composite Document on the following basis:

For each Offer ShareHK\$0.36 in cash

The Offer is unconditional in all respects. The Offer Price of HK\$0.36 per Offer Share is the same as the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement. The Offer Shares to be acquired under the Offer will 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 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, or subsequently attached to them.

Comparison of value

The Offer Price of HK\$0.36 per Offer Share is equal to the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement and represents:

- (a) a premium of approximately 1.41% over the closing price of HK\$0.355 per Share, as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 1.98% over the average closing price of HK\$0.353 per Share, being the average closing price of the Shares for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a premium of approximately 2.71% over the average closing price of HK\$0.3505 per Share, being the average closing price of the Shares for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 2.13% over the average closing price of approximately HK\$0.3525 per Share, being the average closing price of the Shares for the 30 consecutive trading days immediately prior to and including the Last Trading Day; and
- (e) a premium of approximately 180.92% to the Company's audited NAV of approximately HK\$0.128 per Share based on the Group's audited consolidated NAV (excluding non-controlling interests) of approximately HK\$128,151,000 as at 31 March 2017 and 1,000,000,000 Shares in issue as at the date of this joint announcement.

Highest and lowest prices

During the six-month period immediately prior to the commencement of the Offer Period i.e. the date of the Announcement, the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.37 per Share on 11 September 2017 and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.22 per Share on 3 February 2017.

Total consideration of the Offer

Based on the Offer Price of HK\$0.36 per Share, the entire issued share capital of the Company is valued at HK\$360,000,000. Given that the Offeror and parties acting in concert with it hold in aggregate 600,000,000 Shares, a total of 400,000,000 Offer Shares will be subject to the Offer. Based on the Offer Price of HK\$0.36, the total consideration for the Offer would be HK\$144,000,000 (assuming full acceptance of the Offer).

Confirmation of financial resources

The consideration for the acquisition of the Sale Shares is HK\$216,000,000 and has been fully settled.

Based on the Offer Price of HK\$0.36 per Share, the fact that a total of 400,000,000 Offer Shares will be subject to the Offer, and that 150,000,000 Shares held by Dr. Wong King Keung are subject to the Undertaking, the maximum consideration for 250,000,000 Offer Shares payable by the Offeror would be HK\$90,000,000. The Offeror intends to finance and satisfy this amount by cash from Mr. Zhong's own funds.

Central China International Capital Limited, as financial adviser to the Offeror, is satisfied that sufficient resources are available to the Offeror to satisfy full acceptance of the Offer.

Dealing and interests in the Company's securities

Save for the Sale Shares under the Sale and Purchase Agreement and as disclosed below (based on trading records), none of the Offeror, Mr. Zhong nor parties acting in concert with any of them has dealt in the Shares, options, derivatives, warrants or other securities convertible into Shares during the six-months period prior to the commencement of the Offer Period (i.e. the date of the Announcement):

On 19 April 2017, Ms. Chim acquired an aggregate of 100,000 Shares at the price of HK\$0.28 for a total consideration of HK\$28,135.76;

On 23 May 2017, Ms. Chim acquired an aggregate of 250,000 Shares at the price of HK\$0.35 for a total consideration of HK\$87,830.99;

On 7 June 2017, Ms. Chim acquired an aggregate of 230,000 Shares at the price of HK\$0.335 for a total consideration of HK\$77,341.97; and

On 19 July 2017, Ms. Chim disposed of 100,000 Shares at the price of HK\$0.365, 50,000 Shares at the price of HK\$0.37, 160,000 Shares at the price of HK\$0.36, and 270,000 Shares at the price of HK\$0.345 for a total consideration of HK\$204,970.62.

Other arrangements

As at the date of this joint announcement:

- (i) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (ii) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror 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;
- (iii) none of the Offeror, Mr. Zhong nor parties acting in concert with any of them has received any irrevocable commitment to accept the Offer;
- (iv) there are no outstanding derivatives instruments in respect of securities in the Company which have been entered into by the Offeror and parties acting in concert with it;
- (v) none of the Offeror, Mr. Zhong nor parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vi) the Offeror and the Vendors confirm that there is no special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and parties acting in concert with it on one hand and the Vendors and parties acting in concert with each of them or any other Shareholders on the other hand;
- (vii) the Vendors confirm that each of the Vendor and their respective associates is a third party independent of, not connected with, and does not have any concert party relationship with Central China International Capital Limited and its associates;
- (viii) save for the Sale Shares, none of the Offeror or parties acting in concert with it owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company; and
- (ix) the Offeror confirms that other than the consideration paid under the Sale and Purchase Agreement and the consideration to be paid under the Offer, none of the Vendors nor the parties acting in concert with any of them will receive any other consideration or benefits in any form from the Offeror or parties acting in concert with it.

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 Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the cash amount payable by the Offeror to such person on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the 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).

Taxation advice

Independent 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 it, the Company, the Vendors, Central China International Capital Limited, and their respective ultimate beneficial owners, directors, officers, agents, associates, professional advisors 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.

Effect of accepting the Offer

By accepting the Offer, the relevant Independent Shareholders will sell their Shares to the Offeror or its nominee free from all liens, claims and Encumbrances and with all rights attached to them as at the Completion Date, including the right to receive all dividends paid, declared or made, if any, on or after the Completion Date.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event, within seven Business Days of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

Overseas Shareholders

The Offer will be in respect of securities of a company incorporated in the Cayman Islands and will be subject to the procedural and disclosure requirements of Hong Kong, which may be different from other jurisdictions. The Independent Shareholders who wish to participate in the Offer but with a registered address in jurisdictions outside Hong Kong will also be subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer.

The Independent Shareholders who have registered addresses outside Hong Kong and wish to accept the Offer should satisfy themselves as to the full observance of all applicable laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer of other taxes due by such accepting Independent Shareholders in respect of such jurisdiction). Acceptance of the Offer by any Independent Shareholders who have registered addresses outside Hong Kong will be deemed to constitute a representation and warranty from such Independent Shareholder to the Offeror that he/she is permitted under all applicable laws and regulations to receive and accept the Offer, that the local laws and requirements have been complied with and that such acceptance shall be valid and binding in accordance with applicable laws. The Independent Shareholders should consult their professional advisers in case of any doubt.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability and its sole ultimate beneficial owner is Mr. Zhong.

The Offeror has decided to invest in the Company as it believes that there is potential business growth in the existing businesses of the Company. In particular, it is expected that Mr. Zhong's business experience in the PRC will strengthen the Company's ability to effectively pursue its goal of developing its business in the video conferencing and multimedia audiovisual solution industry in the PRC.

As at the date of this joint announcement, save for entering into the Sale and Purchase Agreement and obtaining financing for the Offer, the Offeror has not conducted any other business since its incorporation.

Immediately prior to entering into the Sale and Purchase Agreement, the Offeror and parties acting in concert with it did not have any interest in any securities of the Company, and are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

As at the date of the joint announcement, Mr. Zhong and Mr. Yau Wing Keung are the directors of the Offeror.

Mr. Zhong, aged 53, is an experienced investor in various businesses in both Hong Kong and PRC. He has more than 15 years of experience in property development and in investment business. Mr. Zhong founded Guangdong Puxun Industry Investment Limited (廣東普迅實業投資有限公司), a company principally engaged in investments, investment management and corporate management advisory and 佛山市興普投資有限公司, a company principally engaged in investments, investment management and trading. Mr. Zhong also acts as the honorable chairman of the board of Nenking Holdings Group Company Limited (能興控股集團有限公司), a company principally engaged in property development, property management, financial services, pharmaceutical, sports & cultural, trading and procurement services and investment holding.

Mr. Yau Wing Keung (游永強), aged 57, has over 30 years of working experience in investment banking and in financial management across the Asia Pacific Region.

INFORMATION ON THE COMPANY

The Company was incorporated in the Cayman Islands. The Group is principally engaged in providing digital signage, video conferencing and multimedia presentation/learning services.

The following table is a summary of the audited consolidated results of the Group for the two financial years ended 31 March 2016 and 31 March 2017 as extracted from the Company's annual report for the year ended 31 March 2017.

	For the year ended 31 March 2016 <i>HK\$,000</i> (audited)	For the year ended 31 March 2017 <i>HK\$,000</i> (audited)
Revenue	141,922	138,113
Profit before tax	15,244	23,472
Profit after tax	11,990	19,206
Consolidated net asset value attributable to owners of the Company	115,045	128,151

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the date of this joint announcement.

Shareholders	Immediately before Completion		Immediately after Completion and as at the date of this joint announcement	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Dr. Wong King Keung	289,500,000	28.95	150,000,000	15.00
Mr. Tong Sai Wong	148,500,000	14.85	–	–
Mr. Chan Wing Yiu	148,500,000	14.85	–	–
Mr. Chan Wing Lun	148,500,000	14.85	–	–
Mr. Lin Wing Ching	15,000,000	1.50	–	–
The Offeror and parties acting in concert with it	–	–	600,000,000	60.00
Public Shareholders	<u>250,000,000</u>	<u>25.00</u>	<u>250,000,000</u>	<u>25.00</u>
Total	<u><u>1,000,000,000</u></u>	<u><u>100.00</u></u>	<u><u>1,000,000,000</u></u>	<u><u>100.00</u></u>

As at the date of this joint announcement, the Company does not have any outstanding Shares, options, derivatives or warrants or other securities which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such Shares, options, derivatives or warrants or other securities of the Company.

THE OFFEROR'S INTENTION ON THE GROUP

It is the intention of the Offeror that the Group will continue with its existing principal business. The Offeror does not intend to introduce any major changes to the existing operations and business of the Company immediately after the Offer and will neither redeploy nor dispose of any of the assets (including fixed assets) of the Group other than in the ordinary course of business. Any acquisition or disposal of the assets or business of the Group, if any, will be in compliance with the GEM Listing Rules. The Offeror will conduct a more detailed review on the operations of the Group with a view to formulating a comprehensive business strategy for the Group (the “**Review**”) and subject to the result of the Review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business divestment, fund raising, restructuring of the business and/or business diversification by the Group will be appropriate in order to enhance its growth.

No particular investment or business opportunities have been identified as at the date of this joint announcement. In the event that any business opportunities materialize or the Offeror introduces any major changes to the existing operation and business of the Group after the Review, further announcement(s) will be made by the Company as and when required under the GEM Listing Rules.

Pursuant to the Sale and Purchase Agreement, it is intended that the Vendors will cause such new personnel of the Company as the Purchaser may nominate to be appointed to the Company, including but not limited to the new financial controller, company secretary and two authorised representatives of the Company, with effect from the closing date as defined in the Composite Document.

Save as disclosed herein, as at the date of this joint announcement, the Offeror has no intention to discontinue the employment of the employees of the Company or the Group.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the date of this joint announcement, the executive Directors are Mr. Tong Sai Wong, Mr. Chan Wing Yiu, Mr. Chan Wing Lun; the non-executive Directors are Dr. Wong King Keung and Mr. Lin Wing Ching; and the independent non-executive Directors are Dr. Chan Man Hung, Dr. Lai Wing Chueng and Mr. Lum Pak Sum.

Pursuant to the Sale and Purchase Agreement, it is intended that the Vendors will cause:

- (a) Mr. Zhong, Mr. Yau Wing Keung, Mr. Lai Hing Kwong, Joseph, Mr. Fung Chan Man, Alex and Mr. Fong Chi to be validly appointed as Directors, among whom Mr. Zhong and Mr. Yau Wing Keung shall be validly appointed as executive Directors, Mr. Lai Hing Kwong, Joseph, Mr. Fung Chan Man, Alex and Mr. Fong Chi shall be validly appointed as independent non-executive Directors, and Mr. Zhong shall be validly appointed as chairman of the Board; and
- (b) Mr. Lin Wing Ching, Dr. Chan Man Hung and Dr. Lai Wing Chueng to resign from their respective offices, and Mr. Tong Sai Wong to resign as chairman of the Board,

with effect from the closing date of the Offer as defined in the Composite Document.

Details of the change of the Board composition and biographies of the new executive Directors and the new independent non-executive Directors will be announced as and when appropriate.

MAINTENANCE OF THE LISTING STATUS AND SUFFICIENT PUBLIC FLOAT OF THE COMPANY

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 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.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange. In the event that the public float of the Company falls below 25% immediately after the close of the Offer, the Company may make an application with the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules for a certain period commencing from the date of closing of the Offer (the “**Period**”). The Company will take appropriate steps, including, but not limited, to the engagement of a placing agent to place such number of Shares to other independent third parties not connected with the Company or any of its connected persons, to restore the required minimum public float as early as practicable and in any event no later than the end of the Period. Further announcement(s) will be made by the Company regarding the restoration of public float in due course.

GENERAL

Independent Board Committee and the Independent Financial Adviser

An Independent Board Committee, comprising all the three independent non-executive Directors, namely Dr. Chan Man Hung, Dr. Lai Wing Chueng and Mr. Lum Pak Sum, will be established to advise the Independent Shareholders in relation to the terms and conditions of the Offer. The two non-executive Directors namely Dr. Wong King Keung and Mr. Lin Wing Ching are not members of the Independent Board Committee as they are among the Vendors and are hence considered to be interested in the Offer. An Independent Financial Adviser will be appointed by the Company after approval by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer. An announcement will be made after the appointment of the Independent Financial Adviser.

COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing the terms of the Offer, together with the Form of Acceptance, to the Shareholders within 21 days of the date of this joint announcement, or such later date as the Executive may approve.

It is the intention of the Offeror and the Board to combine the offer document and the offeree board circular from the Company in the Composite Document. Accordingly, the Composite Document (accompanied by the Form of Acceptance) in connection with the Offer setting out, inter alia, details of the Offer (including the expected timetable and the terms and conditions of the Offer) and incorporating the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser on the Offer will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code, within 21 days of the date of this joint announcement or such later date as the Executive may approve. 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 in respect of the Offer, before deciding whether or not to accept the Offer.

Dealings Disclosure

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

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

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

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

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

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares was suspended with effect from 1:00 p.m. on Friday, 6 October 2017 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 16 October 2017.

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer referred to in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offer and a letter of advice from the Independent Financial Adviser. Shareholders and potential investors should exercise caution when dealing in the Shares. If the Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed in the Takeovers Code
“Announcement”	the announcement of the Company dated 18 July 2017 pursuant to Rule 3.7 of the Takeovers Code
“associate(s)”	has the meaning ascribed in the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“Company”	i-Control Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement which took place on the Completion Date
“Completion Date”	6 October 2017, being the date which the Completion took place

“Composite Document”	the composite offer and response document to be jointly despatched by the Offeror and the Company in accordance with the Takeovers Code, containing, among other things, details of the Offer, the form of acceptance and transfer, the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser
“Director(s)”	the director(s) of the Company from time to time
“Encumbrances”	includes, without any limitation, any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, 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
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“Form of Acceptance”	the form of acceptance and transfer of Shares in respect of the Offer
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board (comprising all the three independent non-executive Directors namely Dr. Chan Man Hung, Dr. Lai Wing Chueng and Mr. Lum Pak Sum) which will be established to advise the Independent Shareholders in relation to the terms and conditions of the Offer
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Offer
“Independent Shareholders”	Shareholders other than the Offeror, the Vendors and parties acting in concert with any of them
“Last Trading Day”	4 October 2017, being the last trading day of the Shares immediately prior to the halt in trading of the Shares on the Stock Exchange at 1:00 p.m. on 6 October 2017 pending the release of this joint announcement

“MOU”	the memorandum of understanding dated 18 July 2017 and entered in among the Offeror and the Vendors in respect of the possible acquisition of the Sale Shares, as amended by an extension letter dated 11 September 2017
“Mr. Cheng”	Mr. Cheng Kai Ming Charles, the ultimate beneficial owner and a director of Brilliant Future Limited
“Mr. Zhong”	Mr. Zhong Naixiong (鍾乃雄), the ultimate beneficial owner and a director of the Offeror
“Ms. Chim”	Ms. Chim Mei Hing, a director of Brilliant Future Limited and spouse of Mr. Cheng
“NAV”	net asset value
“Offer”	the unconditional mandatory cash offer to be made by Central China International Capital Limited for and on behalf of the Offeror for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code
“Offer Period”	has the meaning ascribed to it under the Takeovers Code
“Offer Price”	the price per Offer Share at which the Offer will be made in cash, being HK\$0.36 per Offer Share
“Offer Share(s)”	issued Share(s) and Shares which may be issued by the Company following the date of this joint announcement, other than those already owned by the Offeror and parties acting in concert with it
“Offeror”	Phoenix Time Holdings Limited, a company incorporated in the British Virgin Islands with the address of its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
“PRC”	the People’s Republic of China excluding, for the purpose of this joint announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreement”	the sale and purchase agreement dated 6 October 2017 entered into among the Offeror and the Vendors in relation to the sale and purchase of the Sale Shares
“Sale Share(s)”	the 600,000,000 Shares acquired by the Offeror from the Vendors pursuant to the terms of the Sale and Purchase Agreement

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Undertaking”	the irrevocable undertaking given by Dr. Wong King Keung under the Sale and Purchase Agreement pursuant to which Dr. Wong King Keung will not, among other things, tender any or all of the Shares held by him for acceptance under the Offer
“Vendors”	collectively, Dr. Wong King Keung, Mr. Tong Sai Wong, Mr. Chan Wing Yiu, Mr Chan Wing Lun and Mr. Lin Wing Ching
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of directors of
Phoenix Time Holdings Limited
Zhong Naixiong
Director

By order of the board of directors of
i-Control Holdings Limited
Tong Sai Wong
Chairman

Hong Kong, 13 October 2017

As at the date of this joint announcement, the executive Directors are Mr. Tong Sai Wong, Mr. Chan Wing Yiu and Mr. Chan Wing Lun; the non-executive Directors are Dr. Wong King Keung and Mr. Lin Wing Ching; and the independent non-executive Directors are Dr. Chan Man Hung, Dr. Lai Wing Chueng and Mr. Lum Pak Sum.

As at the date of this joint announcement, the directors of the Offeror are Mr. Zhong Naixiong and Mr. Yau Wing Keung.

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it, the terms of the Offer and the future intention of the Offeror regarding the Group), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror) 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 such statement contained in this joint announcement misleading.

The directors of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendors and parties acting in concert with them), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Company) 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 such statement contained in this joint announcement misleading.

This joint announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the day of its publication. This joint announcement will also be published on the Company’s website at www.i-controlholdings.com.