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**Worth Glory Limited**

*(Incorporated in British Virgin Islands with limited liability)*



**SINOSOFT**

TECHNOLOGY

**SINOSOFT TECHNOLOGY GROUP LIMITED**

**中國擎天軟件科技集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1297)**

**JOINT ANNOUNCEMENT**

**(1) PROPOSAL FOR THE PRIVATISATION OF  
SINOSOFT TECHNOLOGY GROUP LIMITED  
BY WORTH GLORY LIMITED  
BY WAY OF A SCHEME OF ARRANGEMENT  
UNDER SECTION 86 OF THE COMPANIES ACT OF THE CAYMAN  
ISLANDS**

**(2) PROPOSED WITHDRAWAL OF LISTING**

**(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE**

**AND**

**(4) RESUMPTION OF TRADING IN THE SHARES**

**Financial Adviser to the Offeror**

**RAINBOW.**

RAINBOW CAPITAL (HK) LIMITED  
宏博資本有限公司

## **INTRODUCTION**

The respective board of directors of the Offeror and the Company jointly announce that on 8 December 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the Scheme, which, if approved and implemented, will result in the Company being taken private by the Offeror and the withdrawal of the listing of the Shares, under section 86 of the Companies Act.

## **TERMS OF THE PROPOSAL**

If the Proposal is approved and implemented, under the Scheme,

- (a) all of the 1,222,384,600 Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in consideration for the Cancellation Price, which (i) with respect to the Cancellation Price payable for the Scheme Shares (other than the CS Scheme Shares), will be paid in cash, and (ii) with respect to the Cancellation Price payable for the CS Scheme Shares, will be satisfied by the receipt of the CS Cancellation Consideration;
- (b) contemporaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be maintained by the issuance at par value to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished, such that the Company will become wholly owned by the Offeror. The reserve created in the Company's books of account as a result of the cancellation and extinguishment of the Scheme Shares will be applied in paying up in full at par value the new Shares so issued to the Offeror; and
- (c) upon the Scheme becoming effective, the Company will make an application to the Stock Exchange in accordance with Rule 6.15 of the Listing Rules for the withdrawal of the listing of the Shares on the Stock Exchange with effect from the Effective Date.

## **TOTAL CONSIDERATION AND FINANCIAL RESOURCES**

As at the date of this joint announcement, the issued share capital of the Company is 1,222,384,600 Shares, representing 100% of the Scheme Shares. There are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

On the basis of the Cancellation Price of HK\$0.330 per Scheme Share and 1,222,384,600 Scheme Shares in issue as at the date of this joint announcement, the Scheme Shares are in aggregate valued at approximately HK\$403,386,918, of which the Cancellation Price in the amount of

HK\$209,726,286 (being the difference between the aggregate value of the Scheme Shares and the CS Cancellation Consideration) will be settled in cash. The Offeror intends to finance the entire cash consideration payable under the Scheme with external debt financing.

Rainbow Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for satisfying its payment obligations in full in respect of the cash consideration payable under the Proposal in accordance with its terms.

### **CS IRREVOCABLE UNDERTAKINGS**

On 14 December 2023, each of the Controlling Shareholders executed the CS Irrevocable Undertakings in favour of the Offeror and undertook:

- (a) to provide undertakings to the Grand Court (i) not to vote at the Court Meeting; and (ii) to agree to and be bound by the Scheme and to receive the CS Cancellation Consideration in consideration for the cancellation of their CS Scheme Shares under the Scheme;
- (b) to the extent permitted by Applicable Laws (including the Takeovers Code), to vote any CS Scheme Shares held by them in favour of any resolutions proposed at the EGM to implement the Scheme or which are necessary for the Scheme to become effective; and
- (c) it will not, from the date of the CS Irrevocable Undertakings until the Scheme becomes effective (or if earlier, the date the Scheme lapses or is withdrawn): (i) dispose of any interest in any Shares held by them; (ii) acquire, directly or indirectly, any additional Shares, securities or other interests of the Company; (iii) accept any other offer to acquire such Shares; or (iv) vote in favour of any resolution which is proposed in competition with the Scheme.

The CS Irrevocable Undertakings will be terminated if the Proposal lapses or is withdrawn, whichever is earlier.

### **ALIBABA INVESTMENTS IRREVOCABLE UNDERTAKING**

On 14 December 2023, Alibaba Investments, which holds 165,000,000 Shares (representing approximately 13.50% of the issued Shares), executed the Alibaba Investments Irrevocable Undertaking in favour of the Offeror and undertook, among other things:

- (a) to exercise or procure the exercise of all voting rights attaching to its Shares, (i) to vote in favour of all resolutions to approve the Scheme, the Proposal and any matters in connection with such at the Court Meeting and the EGM; and (ii) against any resolution which (1) might reasonably be expected to restrict, impede or delay implementation of the Scheme

and/or the Proposal; or (2) approves or gives effect to a proposal by a person other than the Offeror, to acquire (or have issued to it) any Shares or any assets of the Company or to privatise or delist the Company; and

- (b) not to: (i) directly or indirectly, sell, transfer, charge, encumber, grant any option over (or cause the same to be done) or otherwise dispose of any interest in its Shares; (ii) accept any other offer in respect of its Shares; (iii) except with the prior written consent of the Offeror, acquire, directly or indirectly, any additional shares, securities or other interests of the Company; and (iv) take any action or enter into any agreement or arrangement or permit any agreement or arrangement to be entered into or incur any obligation or permit any obligation to arise, which would or might impede or otherwise preclude the performance of the terms of the Alibaba Investments Irrevocable Undertaking.

The Alibaba Investments Irrevocable Undertaking will immediately terminate if, among others, the Scheme or the Proposal does not obtain the required approvals or does not become effective on or before the 180th day following the execution of the Alibaba Investments Irrevocable Undertaking.

#### **FINANCIAL ADVISER, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Offeror has appointed Rainbow Capital to act as its financial adviser in connection with the Proposal.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee is required to comprise all the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Proposal other than as Shareholders. Mr. Ren Geng is a non-executive Director and is presumed to be one of the Offeror Concert Parties by virtue of falling into class (6) of the definition of “acting in concert” in the Takeovers Code. Accordingly, Mr. Ren Geng is regarded as being interested in the Proposal for the purpose of Rule 2.8 of the Takeovers Code.

Accordingly, an Independent Board Committee, which comprises the following independent non-executive Directors: Mr. Chan Choo Tee, Mr. Li Dong and Mr. Zong Ping, has been established by the Board to make a recommendation to the Independent Shareholders as to whether (i) the Proposal, and in particular the Scheme, is fair and reasonable; and (ii) to vote in favour of the resolutions in connection with the implementation of the Proposal at the EGM and the Scheme at the Court Meeting.

The Independent Financial Adviser will be appointed by the Board in due course to advise the Independent Board Committee on the Proposal and the Scheme. A further announcement will be made after the appointment of the Independent Financial Adviser.

## **WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being simultaneously issued and credited as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect from the Effective Date.

## **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

If the Scheme is not approved or does not become effective, or the Proposal otherwise lapses or is withdrawn, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or otherwise lapses or is withdrawn, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or otherwise lapses or is withdrawn announce an offer or possible offer for the Company, except with the consent of the Executive.

## **DESPATCH OF THE SCHEME DOCUMENT**

The Scheme Document including, among other things, (i) further details of the Proposal and the Scheme; (ii) an explanatory statement as required under the Companies Act; (iii) the expected timetable relating to the Proposal; (iv) the recommendations of the Independent Board Committee; (v) the letter of advice from the Independent Financial Adviser; and (vi) the notices of the Court Meeting and the EGM, will be despatched to the Scheme Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and the Applicable Laws.

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

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 11 December 2023 (Hong Kong time), pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 15 December 2023 (Hong Kong time).

## **WARNINGS**

**Shareholders and potential investors should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors should therefore exercise caution**

**when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

**This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of the Applicable Laws. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval or other response to the Proposal should be made only on the basis of information in the Scheme Document and the individual circumstances of the Shareholder making the decision.**

**The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not so resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas Shareholders will be contained in the Scheme Document.**

#### **Notice to US investors**

*The Proposal is being made to cancel the securities of a Cayman Islands exempted company by means of a scheme of arrangement provided for under the laws of Cayman Islands and is subject to Hong Kong disclosure requirements which are different from those of the United States.*

*A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement which differ from the disclosure and procedural requirements applicable under the US federal securities laws.*

*The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of his/her/its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him/her/it.*

*It may be difficult for US holders of Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

## **INTRODUCTION**

The respective board of directors of the Offeror and the Company jointly announce that on 8 December 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the Scheme, which, if approved and implemented, will result in the Company being taken private by the Offeror and the withdrawal of the listing of the Shares, under section 86 of the Companies Act.

## **TERMS OF THE PROPOSAL**

If the Proposal is approved and implemented, under the Scheme,

- (a) all of the 1,222,384,600 Scheme Shares held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in consideration for the Cancellation Price, which (i) with respect to the Cancellation Price payable for the Scheme Shares (other than the CS Scheme Shares (being the 586,850,400 Scheme Shares held by the Controlling Shareholders representing approximately 48.01% of the issued Shares) which will be cancelled and extinguished in consideration for the CS Cancellation Consideration instead (being the amount equivalent to the aggregate amount of the Cancellation Price with respect to all the CS Scheme Shares, which will be applied to credit as fully paid the unpaid Offeror Shares held by the Controlling Shareholders)), will be paid in cash, and (ii) with respect to the Cancellation Price payable for the CS Scheme Shares, will be satisfied by the receipt of the CS Cancellation Consideration;
- (b) contemporaneously with the cancellation of the Scheme Shares, the issued share capital of the Company will be maintained by the issuance at par value to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished, such that the Company will become wholly owned by the Offeror. The reserve created in the Company's books of account as a result of the cancellation and extinguishment of the Scheme Shares will be applied in paying up in full at par value the new Shares so issued to the Offeror; and
- (c) upon the Scheme becoming effective, the Company will make an application to the Stock Exchange in accordance with Rule 6.15 of the Listing Rules for the withdrawal of the listing of the Shares on the Stock Exchange with effect from the Effective Date.

In compliance with Rule 20.1(a) of the Takeovers Code, after the Scheme has become effective, the Cancellation Price for the cancellation of the Scheme Shares (other than the CS Scheme Shares) will be paid to the relevant Scheme Shareholders whose names appear in the Register on the Scheme Record Date as soon as possible, but in any event no later than seven business days (as defined in the Takeovers Code) after the Effective Date.

## **The Scheme**

Under the Scheme, all of the 1,222,384,600 Scheme Shares will be cancelled and extinguished, in consideration for, (i) with respect to each Scheme Shareholder (other than the Controlling Shareholders) whose name appears on the Register on the Scheme Record Date, the Cancellation Price in cash, and (ii) with respect to the Controlling Shareholders, the CS Cancellation Consideration.

## **Comparison of value**

The Cancellation Price of HK\$0.330 represents:

- (a) a premium of approximately 29.41% over the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 30.43% over the average closing price of approximately HK\$0.253 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Day;
- (c) a premium of approximately 31.21% over the average closing price of approximately HK\$0.252 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 31.13% over the average closing price of approximately HK\$0.252 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- (e) a discount of approximately 79.53% to the audited consolidated net asset value attributable to equity shareholders of the Company per Share of approximately RMB1.468 (equivalent to approximately HK\$1.612 as at 31 December 2022 based on RMB to HK\$ exchange rate of RMB0.91064 to HK\$1 being the exchange rate as quoted by the People's Bank of China as at the date of this joint announcement); and
- (f) a discount of approximately 78.83% to the unaudited consolidated net asset value attributable to equity shareholders of the Company per Share of approximately RMB1.419 (equivalent to approximately HK\$1.559 as at 30 June 2023 based on RMB to HK\$ exchange rate of RMB0.91064 to HK\$1 being the exchange rate as quoted by the People's Bank of China as at the date of this joint announcement).

## **Highest and lowest prices**

During the six-month period ended on and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.365 on 13 July 2023, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.238 on 25 October 2023.



## **Basis for determining the Cancellation Price**

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, the recent and historic traded prices of the Shares and with reference to other privatisation transactions in Hong Kong in recent years.

**The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.**

## **Dividend payment by the Company**

As at the date of this joint announcement, the Company has not declared any dividend which remains unpaid. The Company does not intend to declare and/or pay any dividend before the Effective Date or the date on which the Scheme is not approved, or the Proposal otherwise lapses or is withdrawn (as the case may be).

However, if, after the date of this joint announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

## **TOTAL CONSIDERATION AND FINANCIAL RESOURCES**

As at the date of this joint announcement, the issued share capital of the Company is 1,222,384,600 Shares, representing 100% of the Scheme Shares. There are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

On the basis of the Cancellation Price of HK\$0.330 per Scheme Share and 1,222,384,600 Scheme Shares in issue as at the date of this joint announcement, the Scheme Shares are in aggregate valued at approximately HK\$403,386,918, of which the Cancellation Price in the amount of HK\$209,726,286 (being the difference between the aggregate value of the Scheme Shares and the CS Cancellation Consideration) will be settled in cash. The Offeror intends to finance the entire cash consideration payable under the Scheme with external debt financing.

Rainbow Capital, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for satisfying its payment obligations in full in respect of the cash consideration payable under the Proposal in accordance with its terms.

## CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the following Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) at the Court Meeting by the Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Independent Shareholders that are cast either in person or by proxy at the Court Meeting and the number of votes cast by Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Independent Shareholders;
- (c) the passing of (i) a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the issued share capital of the Company as a result of cancelling and extinguishing the Scheme Shares and (ii) an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve the issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme and the application of the credit arising in the Company's books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror;
- (d) the Grand Court's sanction of the Scheme (with or without modification) under section 86(2A) of the Companies Act and if necessary its confirmation of any reduction of the issued share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of (and if necessary, minutes approved by) the Grand Court for registration;
- (e) all Approvals which are (i) required in connection with the Proposal by (1) the Applicable Laws or (2) any licenses, permits or contractual obligations of the Company; and (ii) material in the context of the Group (taken as a whole), having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification up to and as at the Effective Date;
- (f) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its

implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal);

- (g) all the Applicable Laws having been complied with and no legal or regulatory requirement having been imposed by any Authority which is not expressly provided for, or is in addition to the requirements expressly provided for, in the Applicable Laws in connection with the Proposal which are material in the context of the Group (taken as a whole), in each case up to and as at the Effective Date; and
- (h) since the date of this joint announcement, there having been no material adverse change to the business, financial or trading position of the Group, each taken as a whole.

The Conditions set out in paragraphs (a) to (d) and (e)(i)(1) above cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e) to (h) (other than (e)(i)(1)) in whole or in part. The Company does not have the right to waive any of the Conditions. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the Grand Court may direct), failing which the Scheme will not become effective and the Proposal will lapse.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal or the Scheme if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal or the Scheme.

As at the date of this joint announcement and based on the information available to the Offeror and the Company, other than the Approvals listed in the Conditions in paragraphs (a) to (d) (inclusive), the Offeror and the Company are not aware of any other Approvals which are required as set out in the Condition in paragraph (e) above, and the Offeror and the Company are also not aware of any other circumstances which may result in any of the Conditions in paragraphs (e) to (h) (inclusive) not being satisfied. In particular, as at the date of this joint announcement, the Company is not aware of any Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry as set out in the Condition in paragraph (f).

If approved, the Scheme will be binding on the Company and all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

**Warning: Shareholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and/or potential investors should therefore exercise**

**caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional advisers.**

## **VOTING AT THE COURT MEETING AND THE EGM**

All Scheme Shareholders will be entitled to attend and vote on the Scheme at the Court Meeting. Each of the Offeror, the Controlling Shareholders and parties acting in concert with any of them will procure that any Shares in respect of which they are beneficially interested will not be represented or voted at the Court Meeting.

All Shareholders will be entitled to vote on (i) the special resolution to be proposed at the EGM to approve and give effect to any reduction of share capital and the implementation of the Proposal, and (ii) the ordinary resolution to maintain the issued share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares by issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme and the application of the credit arising in the Company's books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror.

## **CS IRREVOCABLE UNDERTAKINGS**

On 14 December 2023, each of the Controlling Shareholders executed the CS Irrevocable Undertakings in favour of the Offeror and undertook:

- (a) to provide undertakings to the Grand Court (i) not to vote at the Court Meeting; and (ii) to agree to and be bound by the Scheme and to receive the CS Cancellation Consideration in consideration for the cancellation of their CS Scheme Shares under the Scheme;
- (b) to the extent permitted by Applicable Laws (including the Takeovers Code), to vote any CS Scheme Shares held by them in favour of any resolutions proposed at the EGM to implement the Scheme or which are necessary for the Scheme to become effective; and
- (c) it will not, from the date of the CS Irrevocable Undertakings until the Scheme becomes effective (or if earlier, the date the Scheme lapses or is withdrawn): (i) dispose of any interest in any Shares held by them; (ii) acquire, directly or indirectly, any additional Shares, securities or other interests of the Company; (iii) accept any other offer to acquire such Shares; or (iv) vote in favour of any resolution which is proposed in competition with the Scheme.

The CS Irrevocable Undertakings will be terminated if the Proposal lapses or is withdrawn, whichever is earlier.

## **ALIBABA INVESTMENTS IRREVOCABLE UNDERTAKING**

On 14 December 2023, Alibaba Investments, which holds 165,000,000 Shares (representing approximately 13.50% of the issued Shares), executed the Alibaba Investments Irrevocable Undertaking in favour of the Offeror and undertook, among other things:

- (a) to exercise or procure the exercise of all voting rights attaching to its Shares, (i) to vote in favour of all resolutions to approve the Scheme, the Proposal and any matters in connection with such at the Court Meeting and the EGM; and (ii) against any resolution which (1) might reasonably be expected to restrict, impede or delay implementation of the Scheme and/or the Proposal; or (2) approves or gives effect to a proposal by a person other than the Offeror, to acquire (or have issued to it) any Shares or any assets of the Company or to privatise or delist the Company; and
- (b) not to: (i) directly or indirectly, sell, transfer, charge, encumber, grant any option over (or cause the same to be done) or otherwise dispose of any interest in its Shares; (ii) accept any other offer in respect of its Shares; (iii) except with the prior written consent of the Offeror, acquire, directly or indirectly, any additional shares, securities or other interests of the Company; and (iv) take any action or enter into any agreement or arrangement or permit any agreement or arrangement to be entered into or incur any obligation or permit any obligation to arise, which would or might impede or otherwise preclude the performance of the terms of the Alibaba Investments Irrevocable Undertaking.

The Alibaba Investments Irrevocable Undertaking will immediately terminate if, among others, the Scheme or the Proposal does not obtain the required approvals or does not become effective on or before the 180th day following the execution of the Alibaba Investments Irrevocable Undertaking.

## **SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the date of this joint announcement:

- (a) the issued share capital of the Company comprises 1,222,384,600 Shares;
- (b) the Offeror does not legally or beneficially own, control or have direction over any Shares;
- (c) the Offeror Concert Parties beneficially own, control or have direction over 589,218,000 Shares, representing approximately 48.20% of the issued Shares;
- (d) Rainbow Capital is the financial adviser to the Offeror in connection with the Proposal. Accordingly, Rainbow Capital is presumed to be acting in concert with the Offeror in relation to the Company in accordance with class 5 of the definition of “acting in concert” under the Takeovers Code. As at the date of this joint announcement, Rainbow Capital does not hold any Shares;

- (e) the Scheme Shareholders hold 1,222,384,600 Shares, representing 100.00% of the issued Shares;
- (f) the Controlling Shareholders hold 586,850,400 Shares, representing approximately 48.01% of the issued Shares, of which (i) 507,873,400 Shares are held by Long Capital (representing approximately 41.55% of the issued Shares), and (ii) 78,977,000 Shares are held by Telewise Group (representing approximately 6.46% of the issued Shares);
- (g) the Independent Shareholders legally or beneficially own, control or have direction over a total of 633,166,600 Shares, representing approximately 51.80% of the issued Shares;
- (h) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror and the Offeror Concert Parties;
- (i) none of the Offeror nor any of the Offeror Concert Parties have had any dealings for value in the Shares during the period commencing six months prior to and including the date of this joint announcement;
- (j) neither the Offeror nor any of the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in the Company; and
- (k) neither the Offeror nor any of the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

The CS Scheme Shares will be cancelled and extinguished in consideration for the CS Cancellation Consideration. All other Scheme Shares will be cancelled and extinguished in consideration for the Cancellation Price in cash upon the Scheme becoming effective.

The table below sets out the shareholding structure of the Company as at the date of this joint announcement and immediately following implementation of the Proposal, assuming that there is no other change in the shareholding of the Company before the Effective Date.

Shareholder	As at the date of this joint announcement		Immediately upon the Scheme becoming effective	
	Number of Shares	Approximate % of total Shares <sup>(4)</sup>	Number of Shares	Approximate % of total Shares <sup>(4)</sup>
<b>Offeror</b>	–	–	1,222,384,600	100.00
<b>Offeror Concert Parties</b>				
Long Capital <sup>(1)</sup>	507,873,400	41.55	–	–
Telewise Group <sup>(1)</sup>	78,977,000	6.46	–	–
Robust Effort Limited <sup>(2)</sup>	2,317,600	0.19	–	–
Mr. Su Hui <sup>(3)</sup>	50,000	0.004	–	–
<b>Offeror and Offeror Concert Parties</b>				
<b>Sub-total:</b>	589,218,000	48.20	–	–
<b>Independent Shareholders</b>				
Alibaba Investments	165,000,000	13.50	–	–
Other Independent Shareholders	468,166,600	38.30	–	–
<b>Independent Shareholders Sub-total:</b>	<u>633,166,600</u>	<u>51.80</u>	<u>–</u>	<u>–</u>
<b>TOTAL</b>	<u>1,222,384,600</u>	<u>100.00</u>	<u>1,222,384,600</u>	<u>100.00</u>

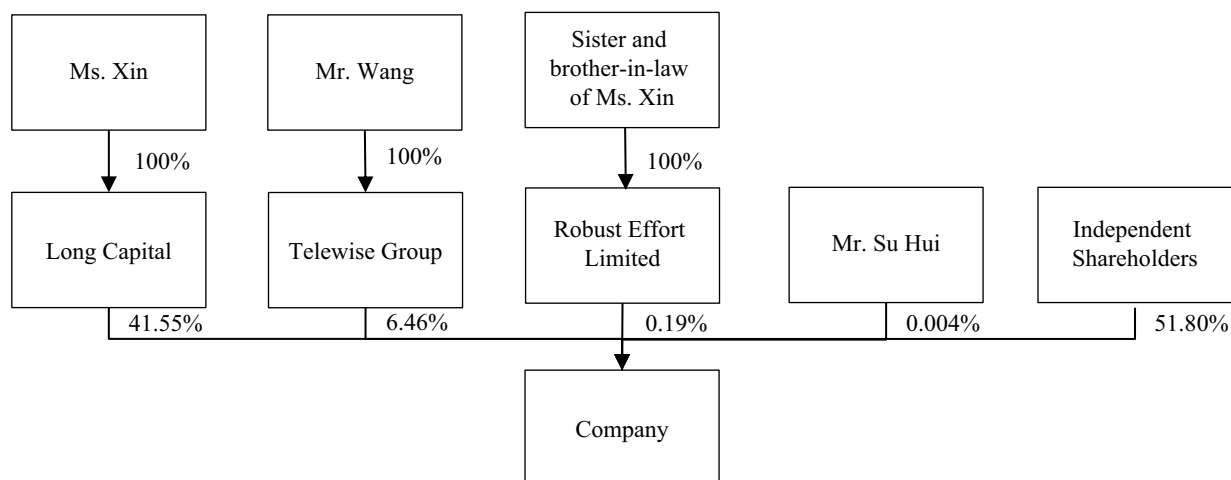
*Note (1):* Long Capital is wholly owned by Ms. Xin and Telewise Group is wholly owned by Mr. Wang. Mr. Wang is the spouse of Ms. Xin, therefore Ms. Xin and Mr. Wang are deemed to be interested in each other's Shares by virtue of the SFO.

*Note (2):* Robust Effort Limited is wholly owned by the sister and brother-in-law of Ms. Xin.

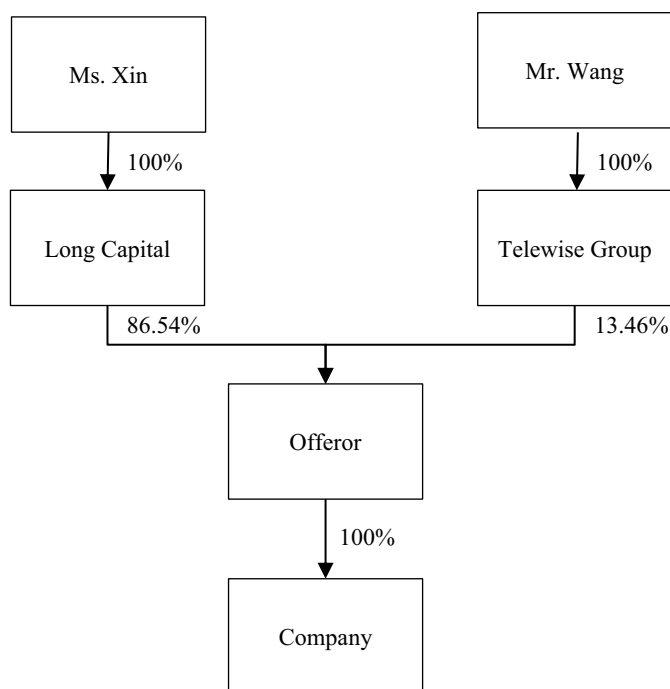
*Note (3):* Mr. Su Hui is an executive Director of the Company and an Offeror Concert Party by virtue of the definition of "acting in concert" under the Takeovers Code.

*Note (4):* The shareholding percentage in the table is subject to rounding adjustment.

The chart below sets out the illustrative shareholding structure of the Company as at the date of this joint announcement:



The chart below sets out the illustrative shareholding structure of the Company upon the Scheme becoming effective:



## SHARE OPTIONS

The Share Options Scheme expired on 10 June 2023. Since the date of the adoption of the Share Option Scheme and immediately prior to its expiration, no share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme. The Company does not have any outstanding share options in issue as at the date of this joint announcement. The Offeror will therefore not be making any offer pursuant to Rule 13 of the Takeovers Code.



## INFORMATION ON THE GROUP

### Principal Activities

The Company is an exempted company with limited liability incorporated in the Cayman Islands, the Shares of which are listed on the Stock Exchange.

The Company is an investment holding company and the Group is principally engaged in businesses covering government big data software and related services and low carbon and ecology software and related services.

### Financial Information

Set out below is a summary of the financial information of the Group extracted from (i) the annual reports of the Company for the two years ended 31 December 2021 and 2022; and (ii) the interim report of the Company for the six months ended 30 June 2023:

	For the year ended 31 December		For the six months ended 30 June	
	2021 (audited) (RMB'000)	2022 (audited) (RMB'000)	2022 (unaudited) (RMB'000)	2023 (unaudited) (RMB'000)
Revenue	586,413	572,174	203,876	143,553
Profit/(Loss) before taxation	17,611	(141,996)	8,248	(63,352)
Profit/(Loss) for the year/ period	15,013	(153,674)	2,486	(59,001)
Profit/(Loss) attributable to owners of the Company	15,806	(152,839)	3,321	(59,001)
		<b>As at 31 December</b>		<b>As at 30</b>
		<b>2021</b>	<b>2022</b>	<b>June</b>
		(audited)	(audited)	(unaudited)
		(RMB'000)	(RMB'000)	(RMB'000)
Total assets		2,235,073	2,119,175	2,068,763
Total liabilities		291,006	325,080	333,669
Net assets		1,944,067	1,794,095	1,735,094

## **INFORMATION ON THE OFFEROR**

The Offeror is a company incorporated in the British Virgin Islands with limited liability and is set up for the implementation of the Proposal only. As at the date of this joint announcement, the Offeror is wholly owned by Long Capital. Prior to the Effective Date, in order to settle the CS Cancellation Consideration, the Offeror will have 586,850,400 shares with a par value of HK\$0.01 each in issue, and will be owned as to 507,873,400 shares by Long Capital on an unpaid basis and 78,977,000 shares by Telewise Group on an unpaid basis.

The Offeror does not have any subsidiaries. Upon the Scheme becoming effective, the Company and its subsidiaries will become subsidiaries of the Offeror.

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

## **INFORMATION ON THE CONTROLLING SHAREHOLDERS**

The Controlling Shareholders comprises Long Capital and Telewise Group.

Long Capital is an investment holding company incorporated in the British Virgin Islands. Long Capital is wholly owned by Ms. Xin, who is an executive Director and the chairlady of the Board, a controlling shareholder (as defined under the Listing Rules) of the Company and the sole director of the Offeror.

Telewise Group is an investment holding company incorporated in the British Virgin Islands. Telewise Group is wholly owned by Mr. Wang, who is the spouse of Ms. Xin and a Shareholder.

In 1998, Ms. Xin, Mr. Wang and other founding shareholders co-founded Nanjing Skytech, which to this date remains to be one of the primary subsidiaries of the Company.

Ms. Xin has over 35 years of experience in the IT industry and is a professional senior engineer. Ms. Xin was accredited as a professorate senior engineer by Professional Senior Qualification Accreditation Committee of Jiangsu Province (江蘇省高級專業技術資格評審委員會) on 25 November 2010. Prior to co-founding Nanjing Skytech in 1998, she was a technician of the National Sports Commission Information Centre (國家體委信息中心) from 1987 to 1992. From 1992 to 1995, she was the general manager of Nanjing Olympic Computer Co., Limited (南京奧林匹克電腦有限公司). From 1995 to 1998, she was the general manager and vice chairlady of Honest Electronics Corporation Ltd. (奧尼斯特電子集團有限公司). Ms. Xin obtained her master's degree in business administration from Nanjing University (南京大學) in September 2008.

Mr. Wang has over 20 years of experience in the computer industry and corporate management gained in the Group. Mr. Wang received his bachelor's degree in computer engineering from People's Liberation Army Information Engineering University (解放軍信息工程大學) in July 1985, and his master's degree in business administration from Nanyang Technological University, Singapore in July 2011.

## **REASONS FOR AND BENEFITS OF THE PROPOSAL**

### **For Scheme Shareholders:**

The Offeror is of the view that the terms of the Proposal are attractive to the Scheme Shareholders and the Proposal will be beneficial to the Scheme Shareholders in the following ways:

#### ***An opportunity to realize attractive cash return on investments and avoid uncertainties on macro-economic and business outlook***

Since 2021, various factors have posed continuous challenges to the development of the global economy. These include the COVID-19 pandemic, geopolitical conflicts such as the Russia-Ukraine crisis and the Middle East crisis, and policy shifts in more developed economies due to rising inflation. As a result of these factors, the global economy has been deteriorating since 2023, and China's macroeconomy has also faced challenges.

The Group's performance has been impacted by the aforementioned macroeconomic environment since 2021. There has been a decline in customer demand for digital software products, leading to a 2.4% and 29.6% year-over-year decrease in the Company's revenue in year ended 31 December 2022 and the six months ended 30 June 2023, respectively, as compared to the corresponding period. In respect of the government big data software and related services, some customers have reduced project budgets, resulting in delays or cancellations of certain projects. In respect of the low-carbon and ecology software and related services, the challenging economic environment has resulted in decreased demand.

Looking ahead, as the Company's revenue is largely made up of government big data software and related services, the implementation of the Regulations on Regulating and Promoting Cross-Border Flows of Data (Solicitation) Opinion Draft (《規範和促進數據跨境流動規定(徵求意見稿)》) issued by the Cyberspace Administration of China (國家互聯網信息辦公室) on 28 September 2023 may further impact the Company's business. Enhancement of relevant data regulations and policies may increase the Company's compliance costs given the Company is a red-chip company, further affecting the Company's business prospects.

### ***An opportunity to exit investments with low trading liquidity***

The trading liquidity of the Shares has been at a significantly low level over a period of time. The average daily trading volume of the Shares for the 12 months up to and including the Last Trading Day was approximately 1,865,786 Shares, representing only approximately 0.15% of the issued Shares as at the Last Trading Day. The low trading liquidity of the Shares could render it difficult for the Scheme Shareholders to execute on-market disposals of the Shares efficiently without adversely affecting the market price of the Shares.

In this regard, the Offeror is of the view that the Proposal provides an opportunity for the Scheme Shareholders to monetize their investments for cash.

### ***Cancellation Price represents an attractive exit premium***

The Proposal provides the Scheme Shareholders with an opportunity to realise their investments in the Company at an attractive premium over the prevailing market price. The Cancellation Price represents a premium of approximately 29.41% and 31.13% over the closing price of HK\$0.255 on the Last Trading Day and the average closing price of HK\$0.252 for the 30 trading days up to and including the Last Trading Day, respectively.

### **For the Company:**

#### ***The cost and expenses outweigh the benefit from maintaining the listing status of the Company***

Due to the low liquidity and the relative underperformance in the trading of the Shares, and a high compliance cost for maintaining listing status, the Company's current listing platform no longer sufficiently serves as a source of funding for its long term growth, and the Company's ability to raise funds in the equity capital markets for future development and growth is severely limited. As such, the Offeror believes that the administrative costs and management resources associated with maintaining the Company's listing status are no longer justified.

#### ***The Proposal will allow the Company more flexibility in implementing its long-term growth strategy***

Implementation of the Proposal will permit the Company to make strategic decisions focused on long-term growth and benefits, free from short to mid-term pressure of market expectations and share price fluctuations which arise from being a publicly listed company.

The Company believes that the successful implementation of the Proposal would enable the Company to implement a series of long-term growth strategies with more capital expenditure to expand the research and development resources to invest for the future growth, which may affect the Company's short-term profile and might result in the divergence between the Company's view on its long-term

value on the one hand, and the investors' views on the potential execution risks and the significant costs involved impacting the Company's short-term financial and share price performance on the other hand.

## **INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP**

Following the implementation of the Proposal, the Offeror intends that the Group will continue to carry on its current business. The Offeror has no intention to make any major changes to the business of the Group, including any major redeployment of fixed assets or making any material change to the continued employment of employees of the Group, other than those in the ordinary course of business of the Group. The Offeror will continue to monitor the Group's performance and implement appropriate strategies for the Group and its business.

## **FINANCIAL ADVISER, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Offeror has appointed Rainbow Capital as its financial adviser in connection with the Proposal.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee is required to comprise all the non-executive Directors and independent non-executive Directors who have no direct or indirect interest in the Proposal other than as Shareholders. Mr. Ren Geng is a non-executive Director and is presumed to be one of the Offeror Concert Parties by virtue of falling into class (6) of the definition of "acting in concert" in the Takeovers Code. Accordingly, Mr. Ren Geng is regarded as being interested in the Proposal for the purpose of Rule 2.8 of the Takeovers Code.

Accordingly, an Independent Board Committee, which comprises the following independent non-executive Directors: Mr. Chan Choo Tee, Mr. Li Dong and Mr. Zong Ping, has been established by the Board to make a recommendation to the Independent Shareholders as to whether (i) the Proposal, and in particular the Scheme, is fair and reasonable; and (ii) to vote in favour of the resolutions in connection with the implementation of the Proposal at the EGM and the Scheme at the Court Meeting.

The Independent Financial Adviser will be appointed by the Board in due course to advise the Independent Board Committee on the Proposal and the Scheme. A further announcement will be made after the appointment of the Independent Financial Adviser.

The Scheme Document will contain the view of the Independent Board Committee (after considering the advice of the Independent Financial Adviser) on whether the Proposal and the Scheme are fair and reasonable and in the interests of the Shareholders as a whole.

## **WITHDRAWAL OF LISTING OF THE SHARES**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being simultaneously issued and credited as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect from the Effective Date.

The Scheme Shareholders will be notified by way of an announcement of the dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal will be included in the Scheme Document.

## **IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES**

If the Scheme is not approved or does not become effective, or the Proposal otherwise lapses or is withdrawn, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or otherwise lapses or is withdrawn, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or otherwise lapses or is withdrawn announce an offer or possible offer for the Company, except with the consent of the Executive.

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

## **OVERSEAS SHAREHOLDERS**

The making and implementation of the Proposal to Scheme Shareholders who are not resident in Hong Kong may be affected by the Applicable Laws of the relevant jurisdictions. Any Scheme Shareholders who are not resident in Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from such shareholder in such jurisdiction.

Any acceptance by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Rainbow Capital, the financial adviser to the Offeror, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch or receipt of the Scheme Document by overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders.

## **TAXATION ADVICE**

The Scheme 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 Proposal. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, Rainbow Capital nor any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any other persons as a result of their acceptance or rejection of the Proposal.

## **DESPATCH OF THE SCHEME DOCUMENT**

The Scheme Document including, among other things, (i) further details of the Proposal and the Scheme; (ii) an explanatory statement as required under the Companies Act; (iii) the expected timetable relating to the Proposal; (iv) the recommendations of the Independent Board Committee; (v) the letter of advice from the Independent Financial Adviser; and (vi) the notices of the Court Meeting and the EGM, will be despatched to the Scheme Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and the Applicable Laws.

The Scheme Document will contain important information and the Independent Shareholders or Scheme Shareholders (as the case may be) are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the EGM.

## **DISCLOSURE OF DEALINGS**

The respective associates (as defined in the Takeovers Code) of the Offeror and the Company, including shareholders holding 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of each of the foregoing, are hereby reminded to disclose their dealings in the relevant securities of the Company.

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

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company 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 \$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.”*



## **GENERAL**

As at the date of this joint announcement:

- (a) the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued 1,222,384,600 Shares;
- (b) save for the 589,218,000 Shares, representing approximately 48.20% of the issued Shares, held by the Offeror Concert Parties, neither the Offeror nor the Offeror Concert Parties owns, controls or directs any existing holding of voting rights and rights over the Shares;
- (c) save for the CS Irrevocable Undertakings and the Alibaba Investments Irrevocable Undertaking, neither the Offeror nor any Offeror Concert Parties have received any irrevocable commitment to vote for or against the Proposal;
- (d) save for the CS Irrevocable Undertakings and the Alibaba Investments Irrevocable Undertaking, there is no agreement or 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 or shares of the Offeror or any Offeror Concert Parties which might be material to the Proposal;
- (e) there is no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a Condition to the Proposal;
- (f) there is no understanding, arrangement or agreement which constitutes a “special deal” (as defined in Rule 25 of the Takeovers Code) between any Shareholder, on the one hand, and (i) the Offeror, any Offeror Concert Party; or (ii) the Company or any of the subsidiaries or associated companies of the Company, on the other; and
- (g) save for the CS Cancellation Consideration and the Cancellation Price payable under the Scheme, the Offeror or the Offeror Concert Parties have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in relation to the cancellation and extinguishment of the Scheme Shares.

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

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 11 December 2023 (Hong Kong time), pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 15 December 2023 (Hong Kong time).

## DEFINITIONS

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

“acting in concert”	has the meaning given to it in the Takeovers Code, and “ <b>persons acting in concert</b> ” shall be construed accordingly
“Alibaba Investments”	Alibaba.com Investment Holding Limited, a company incorporated in the British Virgin Islands with limited liability, which, save as a Shareholder, (i) has no relationship with the Offeror and the Offeror Concert Parties; and (ii) is independent of and not acting in concert with the Offeror and the Offeror Concert Parties
“Alibaba Investments Irrevocable Undertaking”	the deed of irrevocable undertaking given by Alibaba Investments in respect of its Shares as described in the section headed “ <i>Alibaba Investments Irrevocable Undertaking</i> ”
“Applicable Laws”	with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgements, decrees, orders or notices of any Authority that is applicable to such person
“Approvals”	licenses, approvals, permits, consents, permissions, clearances and registrations
“Authority”	any relevant government, administrative or regulatory body, or court, tribunal, arbitrator or governmental agency or authority or department (including any relevant securities exchange) and whether supranational, national, regional or local
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$0.330 per Scheme Share
“Companies Act”	the Companies Act (2023 Revision) of the Cayman Islands, as consolidated and revised from time to time
“Company”	Sinsoft Technology Group Limited, a company incorporated in the Cayman Islands on 6 January 2011 as an exempted company with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1297)

“Condition(s)”	the condition(s) to the Proposal as set out in the section headed “ <i>Conditions of the Proposal and the Scheme</i> ” of this joint announcement
“Controlling Shareholders”	collectively, Long Capital and Telewise Group
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“CS Cancellation Consideration”	the aggregate consideration to be received by the Controlling Shareholders for the cancellation of their CS Scheme Shares under the Scheme, being the amount equivalent to the aggregate amount of the Cancellation Price with respect to all the CS Scheme Shares which will be applied to credit as fully paid the unpaid Offeror Shares held by the Controlling Shareholders
“CS Irrevocable Undertakings”	the deed of irrevocable undertakings given by the Controlling Shareholders in respect of the CS Scheme Shares as described in the section headed “ <i>CS Irrevocable Undertakings</i> ”
“CS Scheme Shares”	586,850,400 Scheme Shares (in aggregate), which are held by the Controlling Shareholders (representing approximately 48.01% of the issued Shares) and will be cancelled and extinguished in consideration for the CS Cancellation Consideration
“Despatch Date”	the date of despatch of the Scheme Document
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act
“EGM”	an extraordinary general meeting of the Company to be held promptly after the conclusion or adjournment of the Court Meeting for the purpose of approving, among other things, any reduction of the share capital of the Company, the issue of the new Shares, the use of the reserve arising in the Company’s books of account from the cancellation of the Scheme Shares and the implementation of the Scheme

“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising the following independent non-executive Directors: Mr. Chan Choo Tee, Mr. Li Dong and Mr. Zong Ping
“Independent Financial Adviser”	the independent financial adviser which will be appointed to advise the Independent Board Committee on the Proposal and the Scheme
“Independent Shareholders”	all Shareholders, other than the Offeror and the Offeror Concert Parties
“Last Trading Day”	8 December 2023, being the last day on which Shares were traded on the Stock Exchange prior to the publication of this joint announcement
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Capital”	Long Capital International Limited, a limited liability company incorporated in the British Virgin Islands and is wholly owned by Ms. Xin
“Long Stop Date”	31 May 2024 (or any other date as may be agreed by the Offeror and the Company and as consented by the Executive)
“Mr. Wang”	Mr. Wang Xiaogang, a Shareholder of the Company and the spouse of Ms. Xin

“Ms. Xin”	Ms. Xin Yingmei, the chairlady of the Board and an executive Director of the Company and a controlling Shareholder of the Company
“Nanjing Skytech”	Nanjing Skytech Co., Limited* (南京擎天科技有限公司), a limited company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Offer Period”	has the meaning given to it in the Takeovers Code, being the period from the date of this joint announcement until the latest of (i) the Effective Date; (ii) the date when the Scheme lapses; (iii) the time when the Offeror announces that the Scheme will not proceed; and (iv) the date when an announcement is made of the withdrawal of the Scheme
“Offeror”	Worth Glory Limited, a limited liability company incorporated in the British Virgin Islands and is wholly owned by Long Capital as at the date of this joint announcement
“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror, the Controlling Shareholders, Ms. Xin or Mr. Wang, including but not limited to Robust Effort Limited, Mr. Su Hui, Mr. Ren Geng and Rainbow Capital
“Offeror Shares”	the ordinary shares in the capital of the Offeror
“PRC”	the People’s Republic of China, but for the purpose of this joint announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, on the terms and subject to the conditions as described in this joint announcement
“Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in respect of the Proposal
“Register”	the principal or branch register of members of the Company (as the case may be) in respect of the Shares

“Registrar of Companies”	the Registrar of Companies appointed under the Companies Act
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Scheme”	the scheme of arrangement to be proposed under section 86 of the Companies Act for the implementation of the Proposal
“Scheme Document”	the composite scheme document, which shall contain, among other things, further details of the Proposal and the Scheme (together with the additional information specified in the section headed “ <i>Despatch of the Scheme Document</i> ” of this joint announcement), the accompanying proxy forms and notices of the Court Meeting and the EGM, to be despatched by the Offeror and the Company to all Scheme Shareholders on the Despatch Date as required by the Takeovers Code
“Scheme Record Date”	the record date to be announced for determining entitlements of the Scheme Shareholders under the Scheme
“Scheme Shareholder(s)”	the registered holders of the Scheme Shares as at the Scheme Record Date (which, for the avoidance of doubt, shall include Shares held by the Controlling Shareholders)
“Scheme Share(s)”	the Shares in issue on the Scheme Record Date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme of the Company adopted by the Shareholders on 11 June 2013, and expired on 10 June 2023
“Share(s)”	the ordinary share(s) of a nominal or par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers in Hong Kong

“Telewise Group”                      Telewise Group Limited, a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Wang

“US” or “United States”              United States of America

By order of the board of directors of

**Worth Glory Limited**

**Ms. Xin Yingmei**

*Director*

By order of the Board of

**Sinosoft Technology Group Limited**

**Ms. Xin Yingmei**

*Chairlady*

Hong Kong, 14 December 2023

*As at the date of this joint announcement, the sole director of Offeror is Ms. Xin Yingmei.*

*The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Group) and confirm, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors in their capacity as Directors) 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 executive Directors are Ms. Xin Yingmei and Mr. Su Hui, the non-executive Director is Mr. Ren Geng and the independent non-executive Directors are Mr. Chan Choo Tee, Mr. Li Dong and Mr. Zong Ping.*

*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 Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror in her capacity as such) 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.*