

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

This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Tic Tac International Holdings Company Limited.



Prosper One Enterprises Limited

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

**Tic Tac International Holdings
Company Limited**

滴達國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1470)

JOINT ANNOUNCEMENT

**(1) ACQUISITION OF 70.625% INTEREST IN TIC TAC INTERNATIONAL
HOLDINGS COMPANY LIMITED BY THE OFFEROR**

(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY



AND

 **KINGSTON SECURITIES**

**ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES
OF TIC TAC INTERNATIONAL HOLDINGS COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED BY OR TO BE ACQUIRED
BY THE OFFEROR
AND PARTIES ACTING IN CONCERT WITH IT)**

AND

(3) RESUMPTION OF TRADING

Joint Financial Advisers to the Offeror



Financial Adviser to the Company



THE SALE AND PURCHASE AGREEMENT

On 28 July 2017 (after trading hours of the Stock Exchange), the Offeror entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Offeror agreed to acquire and the Vendor agreed to sell the Sale Shares, being 565,000,000 Shares, for an aggregate consideration of HK\$534,375,000, equivalent to approximately HK\$0.9458 per Sale Share. The Sale Shares represent 70.625% of the entire Shares of the Company as at the date of this joint announcement. As at the date of this joint announcement, save for the acquisition of the Sales Shares, the Offeror is not a connected person (as defined in the Listing Rules) of the Company, and is not acting in concert with (i) the Vendor; or (ii) the parties acting in concert with the Vendor.

Completion is conditional upon the fulfilment or waiver (where applicable) of the Conditions as described in the paragraph headed “Conditions” under the section headed “The Sale and Purchase Agreement”.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

Upon Completion, the Offeror and parties acting in concert with it will hold 565,000,000 Shares, representing 70.625% of the total number of Shares of the Company. Accordingly, the Offeror will be required under Rule 26.1 of the Takeovers Code to make an unconditional mandatory cash offer for all the issued Shares (other than those already owned by or to be acquired by the Offeror and parties acting in concert with it).

As at the date of this joint announcement, there are 800,000,000 Shares in issue and there are no outstanding options, warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into the Shares.

It is the intention of the Offeror that Changjiang Corporate Finance and Kingston Securities will make the Offer on behalf of the Offeror to acquire the Offer Shares in compliance with the Takeovers Code on the terms to be set out in the Composite Document on the following basis:

For each Offer Share HK\$0.9458 in cash

The Offer Price of HK\$0.9458 per Offer Share under the Offer is approximately equal to but not lower than the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. The principal terms of the Offer are set out under the section headed “Possible unconditional mandatory cash offer” below.

The Offer will be unconditional in all respects and will be for all existing issued Shares other than those already owned by or to be acquired by the Offeror and parties acting in concert with it. Changjiang Corporate Finance and Kingston Corporate Finance have been appointed as the joint financial advisers to the Offeror in respect of the Offer and are satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy full acceptance of the Offer.

Maintenance of listing and sufficient public float of the Company

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. The sole director of the Offeror and the proposed new Director(s) will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that a sufficient public float exists in the Shares.

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chong Man Leung, Mr. Fung Tat Man and Mr. Lo Wai Kei, Wilkie, has been established pursuant to Rule 2.1 of the Takeovers Code to make recommendations to the Independent Shareholders on whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned.

An independent financial adviser will be appointed pursuant to Rule 2.1 of the Takeovers Code by the Company (with approval from the Independent Board Committee) to advise the Independent Board Committee in relation to the Offer under the Takeovers Code. Further announcement(s) will be made when an independent financial adviser to the Independent Board Committee is appointed.

Despatch of the Composite Document

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offer and its terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in connection with the Offer; and (iv) the relevant form of acceptance and transfer, to the Shareholders within 21 days of the date of this joint announcement or such later date as may be permitted by the Takeovers Code and approved by the Executive.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 31 July 2017 pending the release of this joint announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 4 August 2017.

WARNING

THE OFFER IS A POSSIBILITY ONLY. COMPLETION IS CONDITIONAL UPON THE FULFILMENT OR WAIVER (WHERE APPLICABLE) OF CERTAIN CONDITIONS UNDER THE SALE AND PURCHASE AGREEMENT, INCLUDING INTER ALIA, THE APPROVAL OF THE SALE AND PURCHASE AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER. THE OFFER WILL ONLY BE MADE IF COMPLETION TAKES PLACE. ACCORDINGLY, THE SALE AND PURCHASE AGREEMENT MAY OR MAY NOT BE COMPLETED AND THE OFFER MAY OR MAY NOT PROCEED. THE SHAREHOLDERS AND POTENTIAL INVESTORS ARE THEREFORE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES.

FURTHER ANNOUNCEMENT(S)/COMPOSITE DOCUMENT WILL BE MADE BY THE COMPANY AND THE OFFEROR IN RELATION TO UPDATES TO THIS JOINT ANNOUNCEMENT (IF ANY) AND IF THE OFFER WILL BE MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES AND THE TAKEOVERS CODE AS AND WHEN APPROPRIATE. INVESTORS ARE ADVISED TO READ SUCH FUTURE ANNOUNCEMENT(S)/COMPOSITE DOCUMENT IN CONJUNCTION WITH THIS JOINT ANNOUNCEMENT TO CONSIDER WHETHER TO ACCEPT THE OFFER.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE RELEVANT SECURITIES OF THE COMPANY, AND IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS AS AND WHEN APPROPRIATE.

THE SALE AND PURCHASE AGREEMENT

The Sale Shares and the Consideration

On 28 July 2017 (after trading hours of the Stock Exchange), the Offeror entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Offeror agreed to acquire and the Vendor agreed to sell the Sale Shares, being 565,000,000 Shares, for an aggregate consideration of HK\$534,375,000 (i.e. the Consideration), equivalent to approximately HK\$0.9458 per Sale Share, free from any encumbrance and together with all rights attached and accrued to them at the date of the Sale and Purchase Agreement including all rights to any dividend or other distribution declared, made or paid on or after the date of the Sale and Purchase Agreement. The Sale Shares represent 70.625% of the entire Shares as at the date of this joint announcement. As at the date of this joint announcement, save for the acquisition of the Sales Shares, the Offeror is not a connected person (as defined in the Listing Rules) of the Company, and is not a party acting in concert with (i) the Vendor; or (ii) the parties acting in concert with the Vendor.

As at the date of this joint announcement, the Vendor has received HK\$20,000,000 as a deposit of the Consideration. Upon Completion, the Purchaser shall pay a sum of HK\$514,375,000 to the Vendor or its nominee being the balance of the Consideration.

Conditions

Completion is conditional upon the fulfilment or waiver (where applicable) of the following Conditions:

- (i) all approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind of, from or by any governmental authority or regulatory body necessary for the consummation of the transactions contemplated in the Sale and Purchase Agreement having been obtained by the Vendor and the Company and remaining in full force and effect;
- (ii) all approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind of, from or by any governmental authority or regulatory body necessary for the consummation of the transactions contemplated in the Sale and Purchase Agreement having been obtained by the Offeror and remaining in full force and effect;
- (iii) there being no applicable law binding on the Company or the Vendor which prohibits, restricts or imposes conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or impose conditions or limitations on, the consummation of any of the transactions contemplated in the Sale and Purchase Agreement;

- (iv) there being no bona fide legal, administrative or arbitration action, suit, complaint, charge, hearing, injunction, enquiry, investigation or proceedings in effect, pending or genuinely threatened as of Completion before any court, tribunal or arbitrator of a competent jurisdiction or by any governmental authority which seek to prohibit, restrict, impose condition or limitation on or otherwise challenge or constitute actual and material risks to any of the transactions contemplated in the Sale and Purchase Agreement;
- (v) all Vendor's warranties remaining true and correct in all material respects and not misleading and the Vendor having complied with all covenants under the Sale and Purchase Agreement;
- (vi) the listing of the Shares not having been withdrawn, the Shares continuing to be traded on the Stock Exchange prior to the date of Completion (save for any suspension for no longer than ten consecutive trading days or such other period as the Offeror may agree in writing or the suspension in connection with transactions contemplated under the Sale and Purchase Agreement) and neither the Stock Exchange nor the SFC having indicated that either one of them will object to such continued listing for reasons related to or arising from the transactions contemplated under the Sale and Purchase Agreement; and
- (vii) the Stock Exchange and the SFC having no further comment on the finalised version of the joint announcement to be released in connection with the transactions contemplated under the Sale and Purchase Agreement and the publication of such joint announcement on the Stock Exchange's website.

All the Conditions are incapable of being waived by either the Offeror or the Vendor (except Conditions (iv) and (v) above which can be waived by the Offeror). If the Conditions have not been satisfied (or waived) on or before the Long Stop Date, the parties to the Sale and Purchase Agreement shall have no obligation to proceed to Completion and the Vendor shall refund to the Offeror the deposit of HK\$20,000,000 (without interests) within 3 Business Days upon written notice from the Offeror. The Sale and Purchase Agreement (except certain provisions thereof which are expressly provided to survive termination) will terminate and cease to have any effect thereafter.

As at the date of this joint announcement, the Directors are not aware of any approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions as set out in Condition (i) above required to be obtained by the Vendor.

As at the date of this joint announcement, the Offeror is not aware of any approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions as set out in Condition (ii) above required to be obtained by the Offeror.

Completion

Subject to the fulfilment or waiver (as the case may be) of the Conditions, Completion shall take place on the first business day after the last of the Conditions having been fulfilled or waived (as the case may be), or such other date as the Offeror and the Vendor may agree in writing.

It is the intention of the Vendor and the Offeror that the proposed date of Completion will be postponed to a mutually agreed date. Further announcement in respect of the postponement of the Completion will be made as and when appropriate.

Continuation of services

Pursuant to the Sale and Purchase Agreement, (i) the Vendor undertakes to the Offeror that it shall procure Mr. Lam, notwithstanding Completion, to continue acting as the director of each of the Operating Subsidiaries, namely City Great, Sun Step, Treasure Ascent, Jenus Top and Tic Tac Time for two years after Completion and be responsible for overall management, financial control, strategic planning, business development and branding of each of the Operating Subsidiaries; and (ii) the Offeror undertakes that it shall procure each of the Operating Subsidiaries to retain Mr. Lam as its sole director for two years after Completion and shall procure the shareholders (all being subsidiaries of the Company) of each of the Operating Subsidiaries not to interfere the operations and management ran by Mr. Lam as a sole director in each of the Operating Subsidiaries.

Although the Sale and Purchase Agreement contains no express provision, it is the intention of the Vendor, the Offeror and Mr. Lam that Mr. Lam would not receive any remuneration for such service.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

Offer for the Offer Shares

As at the date of this joint announcement, the Offeror and parties acting in concert with it do not own any Shares, options, warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into the Shares. Upon Completion, the Offeror and parties acting in concert with it will hold 565,000,000 Shares, representing 70.625% of the total number of Shares of the Company.

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

As at the date of this joint announcement, there are 800,000,000 Shares in issue and there are no outstanding options, warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into the Shares.

It is the intention of the Offeror that Changjiang Corporate Finance and Kingston Securities will make the Offer on behalf of the Offeror to acquire the Offer Shares in compliance with the Takeovers Code on the terms to be set out in the Composite Document on the following basis:

For each Offer Share HK\$0.9458 in cash

The Offer Price of HK\$0.9458 per Offer Share under the Offer is approximately equal to but not lower than the purchase price per Sale Share payable 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.

The Offer will be unconditional in all respects and will be for all existing issued Shares other than those already owned by or to be acquired by the Offeror and parties acting in concert with it.

The Offer Price

The Offer Price of HK\$0.9458 per Offer Share represents:

- (i) a premium of approximately 16.77% over the closing price of HK\$0.81 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 18.82% over the average closing price of HK\$0.796 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 27.29% over the average closing price of approximately HK\$0.7430 per Share as quoted on the Stock Exchange for the last 10 trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 33.78% over the average closing price of approximately HK\$0.7070 per Share as quoted on the Stock Exchange for the last 30 trading days immediately prior to and including the Last Trading Day; and

- (v) a premium of approximately 478.12% over the audited consolidated net asset value of the Group attributable to the Shareholders per Share as at 30 April 2017 of approximately HK\$0.1636 (based on audited consolidated net asset value of the Group attributable to the Shareholders as at 30 April 2017 of approximately HK\$130,912,000 and 800,000,000 Shares in issue as at the date of this joint announcement).

Highest and lowest trading prices

During the six-month period immediately prior to the commencement of the offer period (as defined under the Takeovers Code) i.e. the date of this joint announcement, the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.52 per Share on 13 March 2017, 15 March 2017, 23 March 2017, 28 March 2017 and 29 March 2017, and the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.81 per Share on 28 July 2017.

Value of the Offer

Based on the Offer Price of HK\$0.9458 per Offer Share and 800,000,000 issued Shares as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$756,640,000.

Given that the Offeror and parties acting in concert with it hold in aggregate 565,000,000 Shares as at the date of this joint announcement, a total of 235,000,000 Shares will be subject to the Offer. Based on the Offer Price of HK\$0.9458 per Offer Share, the total consideration for the Offer would be HK\$222,263,000 (assuming full acceptance of the Offer).

Financial resources available for the acquisition of Sale Shares and the Offer

The Offeror would finance and satisfy the consideration payable for the acquisition of Sale Shares and under the Offer with the Changjiang Deposit, the Changjiang Offer Facility and the Kingston Offer Facility.

The Consideration for the acquisition of the Sale Shares is HK\$534,375,000. As at the date of this announcement, an amount of HK\$20 million had been paid by the Offeror to the Vendor and the remaining consideration of approximately HK\$514 million will be financed by a cash position amounted to approximately HK\$618 million in the Changjiang Deposit. Based on the Offer Price of HK\$0.9458 per Share and the total of 235,000,000 Offer Shares subject to the Offer, the maximum consideration for the Offer would be approximately HK\$222 million, which will be financed by (i) the remaining cash position amounted to approximately HK\$103 million from the Changjiang Deposit; (ii) the Changjiang Offer Facility amounted to HK\$10 million; and (iii) the Kingston Offer Facility amounted to HK\$110 million. Those Offer Shares acquired with the Changjiang Offer Facility shall be deposited with Changjiang

Securities Brokerage as collaterals (i.e. Changjiang Pledged Shares). Pursuant to the terms and conditions of the Kingston Offer Facility, the remaining 116,000,000 Offer Shares to be acquired by the Offeror under the Offer shall be deposited with Kingston Securities as collaterals for Kingston Offer Facility (i.e. Kingston Pledged Shares). The Offeror confirms that the repayment of the interest on, repayment of or security for any liability (contingent or otherwise) will not depend on any significant extent on the business of the Company.

Changjiang Corporate Finance and Kingston Corporate Finance have been appointed as the joint financial advisers to the Offeror in respect of the Offer and are satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy full acceptance of the Offer.

Effects of accepting the Offer

By accepting the Offer, Independent Shareholders will sell their Shares to the Offeror free from all encumbrances and together with all rights attaching to them, including but not limited to all rights to any dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

Acceptance of the Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Offer are free from all encumbrances whatsoever 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.

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Payment

Payment in cash in respect of an acceptance of the Offer will be made as soon as possible but in any event within seven business days (as defined under the Takeovers Code) of the date on which the duly completed acceptance of the Offer. Relevant documents evidencing title of the Shares must be received by or on behalf of the Offeror to render such acceptance of the Offer complete and valid.

No fraction of a cent will be payable and the amount of cash consideration payable to Independent Shareholders who accept the Offer will be rounded up to the nearest cent.

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 Independent Shareholder on acceptance of the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Independent Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

The Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Lego Corporate Finance, Changjiang Corporate Finance, Changjiang Asset Management, Changjiang Securities Brokerage, Kingston Corporate Finance, Kingston Securities and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

As the Offer to persons not residing in Hong Kong might be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Shareholders whose addresses as shown in the registers of members of the Company are outside Hong Kong and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws 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 or other taxes due in respect of such jurisdictions).

Any acceptance by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

Dealing and interest in the Company's securities

For the six months immediately prior to the commencement of the offer period (as defined under the Takeovers Code), i.e. the date of this joint announcement, save for the (i) acquisition of the Sale Shares by the Offeror pursuant to the Sale and Purchase Agreement; (ii) the Changjiang Pledged Shares; and (iii) the Kingston Pledged Shares, the Offeror and parties acting in concert with it have not dealt in nor do they have any Shares, rights over the Shares (including agreements to purchase, options, warrants, convertible securities, voting rights and irrevocable commitments to accept any of the Offer) or derivatives in respect of securities of the Company.

Other Arrangements

The Offeror confirms that, save as disclosed herein, as at the date of this joint announcement:

- (i) save for the Sale Shares, the Changjiang Pledged Shares and the Kingston Pledged Shares, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them (including Kingston Securities and Changjiang Securities Brokerage) owns or has control or direction over any voting rights or rights over the Shares or options, derivatives or warrants or other securities convertible into Shares, or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code);
- (ii) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them have received any irrevocable commitment to accept the Offer;
- (iii) there is no outstanding derivatives in respect of the securities in the Company which has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with it;
- (iv) save for (a) the Sale and Purchase Agreement; (b) the Changjiang Offer Facility; and (c) the Kingston Offer Facility, there is no other 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 Company and which might be material to the Offer;

- (v) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror, its beneficial owner and/or parties acting in concert with it 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;
- (vi) none of the Offeror, its ultimate beneficial owner and 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; and
- (vii) save for the Sale and Purchase Agreement, there is no (i) other consideration in any form paid or payable by the Offeror and parties acting in concert with it to the Vendor and the parties acting in concert with it and other parties interested and/or otherwise involved in the transactions contemplated under the Sale and Purchase Agreement; and (ii) special deal with favourable conditions (within the meaning under Rule 25 of the Takeovers Code) between the Vendor and parties acting in concert with it, on the one hand, and the Offeror and parties acting in concert with it, on the other hand.

INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and the Shares have been listed on the Stock Exchange since 12 May 2015. The principal activity of the Company is investment holding, whilst its major operating subsidiaries are engaged in retail and wholesale of watches in Hong Kong.

Financial information

Set out below is a summary of the audited consolidated financial information of the Group for each of the two years ended 30 April 2016 and 2017, as extracted from the accounts prepared in accordance with Hong Kong Financial Reporting Standards in the Company's announcement of final results for the year ended 30 April 2017:

	For the year ended	
	30 April	
	2017	2016
	<i>(audited)</i>	<i>(audited)</i>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	283,211	321,322
Loss before tax	(28,558)	(12,158)

	As at 30 April	
	2017	2016
	<i>(audited)</i>	<i>(audited)</i>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Total assets	172,096	203,025
Total liabilities	41,184	44,422
Net assets	130,912	158,603

The audited consolidated net asset value of the Group attributable to the Shareholders as at 30 April 2017 was approximately HK\$130,912,000 which is equivalent to approximately HK\$0.1636 per Share based on 800,000,000 Shares in issue as at the date of this joint announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to the Completion; and (ii) immediately after the Completion:

	Immediately prior to the Completion		Immediately after the Completion	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Vendor and parties acting in concert with it	565,000,000	70.625	—	—
Offeror and parties acting in concert with it	—	—	565,000,000	70.625
Other Shareholders	<u>235,000,000</u>	<u>29.375</u>	<u>235,000,000</u>	<u>29.375</u>
Total	<u><u>800,000,000</u></u>	<u><u>100.000</u></u>	<u><u>800,000,000</u></u>	<u><u>100.000</u></u>

INFORMATION AND INTENTION OF THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability. The entire share capital of the Offeror is owned by Mr. Meng Guangyin (孟廣銀), who is also the sole director of the Offeror. Prior to the date of the Sale and Purchase Agreement, the Offeror has not conducted any business since its incorporation and does not have any material assets as at the date of this joint announcement.

Mr. Meng Guangyin, aged 51, had been the chairman and the general manager of Ruixing Group Company Limited* (瑞星集團有限公司) since August 2007, and has been re-designated to the chairman and the chief executive officer since March 2011. He has more than 20 years of experience in manufacturing of biochemical products for agricultural industry. He holds a bachelor's degree in economics and management from Shandong Youth University of Management* (山東青年管理幹部學院).

Following the close of the Offer, it is the intention of the Offeror that the Group will continue to focus on the development and operations of its existing business, and does not intend to introduce any major changes to the existing operations and business of the Company immediately after the Completion and the close of the Offer. The Offeror intends to conduct a detailed review of the operations and business activities of the Group and formulate business strategies for the Group's long term development and will explore other business opportunities for the Group, including the feasibility of diversifying the income stream of the Group by exploring business and investment opportunities in different business areas, which may or may not include any assets and/or business acquisitions or disposals, fund raising, restructuring of the business and/or

business diversification, which will be appropriate in order to enhance its growth. Subject to further investigation into the business opportunities in the related areas, the Offeror will present suitable propositions to the Company in due course. The Offeror has no intention to discontinue the employment of the employees (save for a change in the composition of the Board) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business. The Offeror had not identified any investment or business opportunities nor had the Offeror entered into any agreement, arrangements, understandings or negotiation and no plan on any injection of any assets or businesses into the Group as at the date of this joint announcement.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

Pursuant to the Sale and Purchase Agreement, the Vendor shall (i) procure the appointment of new director(s) nominated by the Offeror to the majority of the Board with effect from the date immediately after the date on which the Composite Document is posted or such other date permitted under the Takeovers Code; and (ii) use its best endeavour to procure the resignation of the current Directors with effect from the earliest time permitted under the Takeovers Code which is the day immediately after the first closing date of the Offer. The Offeror is in the course of identifying candidates for the Board subject to compliance with the Takeovers Code and the Listing Rules. All such changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made as and when appropriate.

MAINTENANCE OF LISTING AND SUFFICIENT PUBLIC FLOAT OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. The sole director of the Offeror and the proposed new Director(s) will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that a sufficient public float exists in the Shares.

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 entire issued Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

DISCLOSURE OF DEALINGS

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including a person who owns or controls 5% or more of any class of relevant securities of the Company or the Offeror or any person who as a result of any transaction owns or controls 5% or more of any class of relevant securities of the Company or the Offeror) are reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

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

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chong Man Leung, Mr. Fung Tat Man and Mr. Lo Wai Kei, Wilkie, has been established pursuant to Rule 2.1 of the Takeovers Code to make recommendations to the Independent Shareholders on whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned.

An independent financial adviser will be appointed pursuant to Rule 2.1 of the Takeovers Code by the Company (with approval from the Independent Board Committee) to advise the Independent Board Committee in relation to the Offer under the Takeovers Code. Further announcement(s) will be made when an independent financial adviser to the Independent Board Committee is appointed.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offer and its terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in connection with the Offer; and (iv) the relevant form of acceptance and transfer, to the Shareholders within 21 days of the date of this joint announcement or such later date as may be permitted by the Takeovers Code and approved by the Executive.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company in due course.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 31 July 2017 pending the release of this joint announcement. Application has been made for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 4 August 2017.

WARNING

THE OFFER IS A POSSIBILITY ONLY. COMPLETION IS CONDITIONAL UPON THE FULFILMENT OR WAIVER (WHERE APPLICABLE) OF CERTAIN CONDITIONS UNDER THE SALE AND PURCHASE AGREEMENT, INCLUDING INTER ALIA, THE APPROVAL OF THE SALE AND PURCHASE AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER. THE OFFER WILL ONLY BE MADE IF COMPLETION TAKES PLACE. ACCORDINGLY, THE SALE AND PURCHASE AGREEMENT MAY OR MAY NOT BE COMPLETED AND THE OFFER MAY OR MAY NOT PROCEED. THE SHAREHOLDERS AND POTENTIAL INVESTORS ARE THEREFORE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES.

FURTHER ANNOUNCEMENT(S)/COMPOSITE DOCUMENT WILL BE MADE BY THE COMPANY AND THE OFFEROR IN RELATION TO UPDATES TO THIS JOINT ANNOUNCEMENT (IF ANY) AND IF THE OFFER WILL BE MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES AND THE TAKEOVERS CODE AS AND WHEN APPROPRIATE. INVESTORS ARE ADVISED TO READ SUCH FUTURE ANNOUNCEMENT(S)/COMPOSITE DOCUMENT IN CONJUNCTION WITH THIS JOINT ANNOUNCEMENT TO CONSIDER WHETHER TO ACCEPT THE OFFER.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE RELEVANT SECURITIES OF THE COMPANY, AND IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS AS AND WHEN APPROPRIATE.

DEFINITIONS

In this joint announcement, unless otherwise defined, the following terms shall have the following meanings:

“acting in concert”	the meaning given to it in the Takeovers Code, and “persons acting in concert” and “concert parties” should be construed accordingly
“associate(s)”	the meaning given to it in the Takeovers Code
“Board”	the board of Directors
“City Great”	City Great Limited (城宏有限公司), a company incorporated in Hong Kong with limited liability on 25 January 2007, which is an indirect wholly-owned subsidiary of the Company
“Changjiang Asset Management”	Changjiang Asset Management (HK) Limited, a licensed corporation under the SFO, licensed to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO

“Changjiang Corporate Finance”	Changjiang Corporate Finance (HK) Limited, a licensed corporation under the SFO, licensed to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, which is one of the joint financial advisers to the Offeror and shall make the Offer with Kingston Securities
“Changjiang Deposit”	a cash position maintained by the Offeror in its account with Changjiang Asset Management amounted to approximately HK\$618 million which will be utilised by the Offeror to finance the acquisition of the Sale Shares and the Offer
“Changjiang Offer Facility”	the facility of HK\$10 million granted by Changjiang Securities Brokerage to the Offeror to finance the consideration payable under the Offer
“Changjiang Pledged Shares”	a maximum of 119,000,000 Offer Shares to be deposited with Changjiang Securities Brokerage as collaterals for Changjiang Offer Facility
“Changjiang Securities Brokerage”	Changjiang Securities Brokerage (HK) Limited, a licensed corporation under the SFO, licensed to conduct Type 1 (dealing in on securities), Type 2 (dealing in future contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO
“Company”	Tic Tac International Holdings Company Limited (滴達國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1470)
“Completion”	completion of the transactions contemplated under the Sale and Purchase Agreement
“Composite Document”	the composite offer and response document to be issued jointly by the Offeror and the Company to all the Independent Shareholders in accordance with the Takeovers Code containing, among other things, the detailed terms of the Offer

“Conditions”	conditions precedent to the Completion under the Sale and Purchase Agreement which are summarised in this joint announcement under the section headed “Conditions”, each a Condition
“Consideration”	the consideration under the transactions contemplated under the Sale and Purchase Agreement, i.e. HK\$534,375,000
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company (with the approval of the Independent Board Committee) to advise the Independent Board Committee and the Independent Shareholders in relation to the Offer
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Chong Man Leung, Mr. Fung Tat Man and Mr. Lo Wai Kei, Wilkie, established for the purpose of advising the Independent Shareholders in respect of the Offer pursuant to the requirements of the Takeovers Code
“Independent Shareholders”	the Shareholders other than (i) the Vendor and parties acting in concert with it; (ii) the Offeror and parties acting in concert with it; and (iii) those who are involved in or interested in the Sale and Purchase Agreement and the transactions contemplated thereunder
“Jenus Top”	Jenus Top International Limited (新卓國際有限公司), a company incorporated in Hong Kong with limited liability on 30 June 2004, which is an indirect wholly-owned subsidiary of the Company

“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a licensed corporation under the SFO, licensed to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, and one of the joint financial advisers to the Offeror
“Kingston Offer Facility”	the loan facility of HK\$110 million granted by Kingston Securities to the Offeror to finance the consideration payable under the Offer
“Kingston Pledged Shares”	116,000,000 Offer Shares to be deposited with Kingston Securities as collaterals for Kingston Offer Facility
“Kingston Securities”	Kingston Securities Limited, a licensed corporation under the SFO, licensed to conduct Type 1 (dealing in securities) regulated activity under the SFO, which shall make the Offer with Changjiang Corporate Finance
“Last Trading Day”	28 July 2017, being the last trading day of the Shares immediately preceding the date of this joint announcement
“Lego Corporate Finance”	Lego Corporate Finance Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, who has been appointed as the financial adviser to the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the thirtieth (30th) day after the date of the Sale and Purchase Agreement
“Mr. Lam”	Mr. Lam Man Wah, the chairman of the Board, chief executive officer and executive Director of the Company
“Offer”	the possible unconditional mandatory cash offer to be made by Changjiang Corporate Finance and Kingston Securities on behalf of the Offeror, for all the Offer Shares

“Offer Price”	the cash amount of HK\$0.9458 per Offer Share payable by the Offeror to the Independent Shareholders for each Offer Share accepted under the Offer
“Offer Shares”	all the Shares in issue, other than those already owned by or to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Prosper One Enterprises Limited, a company incorporated under the laws of British Virgin Islands with limited liability and the share capital of which is wholly-owned by Mr. Meng Guangyin as at the date of this joint announcement
“Operating Subsidiaries”	the operating subsidiaries of the Company, namely City Great, Sun Step, Treasure Ascent, Jenus Top and Tic Tac Time
“Overseas Shareholders”	Independent Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
“Sale and Purchase Agreement”	the sale and purchase agreement dated 28 July 2017 entered into among the Vendor and the Offeror in relation to the sale and purchase of the Sale Shares
“Sale Shares”	a total of 565,000,000 Shares acquired by the Offeror from the Vendor pursuant to the Sale and Purchase Agreement, representing 70.625% of the total issued share capital of the Company as at the date of this joint announcement, and “Sale Share” means any one of them
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the registered holder(s) of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun Step”	Sun Step Asia Limited (耀進亞洲有限公司), a company incorporated in Hong Kong with limited liability on 17 June 2006, which is an indirect wholly-owned subsidiary of the Company
“Takeovers Code”	the Code on Takeovers and Mergers published by the SFC
“Tic Tac Time”	Tic Tac Time Company Limited (滴達鐘錶有限公司), a company incorporated in Hong Kong with limited liability on 28 July 1997, which is an indirect wholly-owned subsidiary of the Company
“Treasure Ascent”	Treasure Ascent International Limited (寶高國際有限公司), a company incorporated in Hong Kong with limited liability on 22 October 2008, which is an indirect wholly-owned subsidiary of the Company
“Vendor”	Tic Tac Investment Holdings Limited, a company incorporated under the laws of British Virgin Islands with limited liability and is owned as to 90% and 10% by Mr. Lam and Ms. Chan Ka Yee, Elsa (being an executive Director and the spouse of Mr. Lam) respectively as at the date of this joint announcement

By order of the board of
Prosper One Enterprises Limited
Meng Guangyin
Director

By order of the Board of
Tic Tac International Holdings
Company Limited
Lam Man Wah
Chairman and executive Director

Hong Kong, 4 August 2017

As at the date of this joint announcement, the Board comprises Mr. Lam Man Wah (Chairman), Ms. Chan Ka Yee, Elsa, Mr. Tsang Hok Man being the executive Directors, and Mr. Chong Man Leung, Mr. Fung Tat Man and Mr. Lo Wai Kei, Wilkie being the independent non-executive Directors.

All 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), 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 and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, Mr. Meng Guangyin is the sole director of the Offeror.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

** English transliteration of Chinese terms for identification purpose only*