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**Timenew Limited**

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



**Manfield Chemical Holdings Limited**

**萬輝化工控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1561)**

**JOINT ANNOUNCEMENT**

**(1) CONDITIONAL AGREEMENT IN RELATION TO THE ACQUISITION OF SALE SHARES BY THE PURCHASER**

**(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY CCB INTERNATIONAL CAPITAL LIMITED FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES OF MANFIELD CHEMICAL HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED BY OR AGREED TO BE ACQUIRED BY THE OFFEROR AND THE PARTIES ACTING IN CONCERT WITH IT)**

**AND**

**(3) RESUMPTION OF TRADING IN SHARES**

**Financial adviser to the Offeror**



**Financial adviser to the Company**



**SPA**

The Board has been informed by the Vendor that the Vendor, the Purchaser and the Purchaser Guarantor entered into the SPA on 7 November 2018 (after trading hours), pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase, in aggregate, 450,000,000 Sale Shares, representing 75% of the existing issued share capital of the Company as at the date of this joint announcement. The total consideration for the Sale Shares is HK\$900,000,000, equivalent to HK\$2 per Sale Share.

Completion is subject to certain conditions precedent described in the sub-paragraph headed “Conditions precedent” in this joint announcement.

**POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER**

As at the date of this joint announcement, the Offeror and parties acting in concert with it (save and except for the Vendor) do not hold any Shares in the share capital or voting rights of the Company. Immediately following Completion, the Offeror and parties acting in concert with it will be interested in a total of 450,000,000 Shares, representing 75% of the issued share capital of the Company and, pursuant to Rule 26.1 of the Takeovers Code, the Offeror will be required to make the Offer to acquire all the Offer Shares.

As at the date of this joint announcement, the Company has 600,000,000 Shares in issue. The Company has no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the date of this joint announcement.

Subject to Completion, CCB International, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

**The Offer**

For each Offer Share. . . . . HK\$2 in cash

The principal terms of the Offer are set out in the paragraph headed “Possible Unconditional Mandatory Cash Offer” in this joint announcement.

The Offer, if and when made, will be unconditional in all respects. The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer.

The Offeror intends to finance the Sale Shares Purchase Price from its internal resources. Upon Completion, the Offeror will hold 75% of the entire issued capital of the Company. As the Offeror will not be considered as public Shareholder and in order to maintain sufficient public float, SHK Investment, the Offeror and Mr Li Xiao Ru as the Offeror's guarantor have entered into a placing and underwriting agreement on 7 November 2018 pursuant to which SHK Investment agreed to act as the exclusive placing agent and underwriter of the Offeror and SHK Investment shall place and underwrite all the Offer Shares validly tendered for acceptance under the Offer. CCB International, as the financial adviser to the Offeror, is satisfied that sufficient resources are available to the Offeror and SHK Investment to satisfy the amount of funds required for (i) Completion and (ii) full acceptance of the Offer respectively.

**WARNING: THE OFFER WILL ONLY BE MADE IF COMPLETION TAKES PLACE. COMPLETION IS SUBJECT TO FULFILLMENT AND/OR WAIVER, AS APPLICABLE, OF THE CONDITIONS CONTAINED IN THE SPA. ACCORDINGLY, THE OFFER MAY OR MAY NOT BE MADE. THE ISSUE OF THIS JOINT ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE OFFER WILL BE MADE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE RELEVANT SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT A LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.**

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

The Independent Board Committee has been established by the Company to advise the Offer Shareholders in respect of the Offer pursuant to Rule 2.1 of the Takeovers Code.

An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. Further announcement(s) will be made by the Company as soon as possible after the appointment of the independent financial adviser.

#### **DESPATCH OF THE COMPOSITE DOCUMENT**

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, *inter alia*, the terms of the Offer, together with the acceptance and transfer form, should be posted to the Shareholders within 21 days of the date of this joint announcement.

Subject to Completion, the Offeror and the Company intend that the Composite Document in connection with the Offer setting out, *inter alia*, details of the Offer (including the expected timetable and terms of the Offer and accompanied by the acceptance and transfer form), a letter from the Independent Board Committee and a letter from the independent financial adviser in relation to the Offer will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code in due course.

## **RESUMPTION OF TRADING IN SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 8 November 2018 pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 14 November 2018.

## **THE SPA**

On 7 November 2018 (after trading hours), the Vendor, the Purchaser and the Purchaser Guarantor entered into the SPA. A summary of the major terms of the SPA is set out below.

Date	7 November 2018 (after trading hours)
Parties	(i) the Vendor (as the vendor of the Sale Shares); (ii) the Purchaser (as the purchaser of the Sale Shares); and (iii) the Purchaser Guarantor (as the guarantor of the Purchaser).

The Purchaser has confirmed that, immediately before the entering into of the SPA, it and its ultimate beneficial owners are Independent Third Parties. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

### **Subject matter**

Subject to the terms and conditions of the SPA, the Vendor shall sell the Sale Shares as the legal and beneficial owner free from all Encumbrances and the Purchaser shall purchase the Sale Shares together with all rights and benefits attaching or accruing thereto including, without limitation, all dividends and distributions declared, made or paid, on or after the Completion Date. The Vendor and the Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the sale of all of the Sale Shares is completed simultaneously.

### **Sale Shares Purchase Price for the Sale Shares**

Subject to the terms and conditions of the SPA, the purchase price payable for each Sale Share shall be HK\$2, and the Sale Shares Purchase Price payable for the Sale Shares by the Purchaser shall be HK\$900,000,000. The purchase price of HK\$2 per Sale Share was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the prevailing market prices of the Shares over the past three months before signing of the SPA. The closing price of the Shares ranged from HKD1.98 per Share to HKD2.45 per Share for the period from 8 August 2018 to 7 November 2018 (the "**Period**"). The Purchaser and the Vendor finally agreed to adopt the lowest price (rounded to the nearest dollar) of the Share during the Period, presenting a certain discount commercially agreed by both parties to the average closing price of HK\$2.2046 per Share during the Period, as the final purchase price for the Sale Shares.

The Sale Shares Purchase Price is payable by the Purchaser to the Vendor as follows:

- (a) the amount of HK\$90,000,000 in cash as deposit has been paid by the Purchaser to the Vendor on the date of the SPA;
- (b) the amount of HK\$210,000,000 in cash shall be payable by the Purchaser to the Vendor on Completion; and
- (c) as to HK\$600,000,000 (being the balance of the Sale Shares Purchase Price, the “**Remaining Consideration**”) shall be payable in cash to the Vendor or as the Vendor may direct in writing within the period commencing from the close of the Offer to 12 months from the Completion Date. No interest shall accrue on the Remaining Consideration and payable to the Vendor.

Due to the deferred payment of the Remaining Consideration, the Vendor following Completion and prior to the full settlement of the Remaining Consideration by the Offeror, are presumed to be acting in concert with the Offeror under Class (9) of the definition of “acting in concert” under the Takeovers Code.

### **Conditions precedent**

Completion is conditional upon the following conditions (the “**Condition(s)**”):

- (a) the Stock Exchange and the Executive advising that they have no further comment on the joint announcement to be released in connection with the Transactions and the Offer;
- (b) save as fairly and specifically disclosed in the SPA, the audited accounts of the Group for the year ended 31 December 2017, the interim accounts of the Group for the six months ended 30 June 2018 and the Company’s previous announcements, the Material Warranties remaining true, accurate and not misleading in all material respects as given as at the date of the SPA and as at Completion;
- (c) (I) the current listing of the Shares not having been withdrawn, (II) the Shares continuing to be traded on the Stock Exchange prior to the Completion Date (save for any temporary suspension for no longer than ten consecutive trading days or such other period as the Purchaser may agree in writing or any suspension in connection with the Transactions and/or the Offer) and (III) neither the Stock Exchange nor the SFC having indicated before the Completion Date that it will object to such continued listing for reasons related to or arising from the Transactions;
- (d) all necessary consents and approvals, if any, in respect of the sale and purchase of the Sale Shares and the Transactions having been obtained;
- (e) there being no bona fide litigation or arbitration which prohibits, restricts or imposes conditions or limitations on the Transactions;

- (f) save as fairly and specifically disclosed in the SPA, the audited accounts of the Group for the year ended 31 December 2017, the interim accounts of the Group for the six months ended 30 June 2018 and the Company's previous announcements, no specific event or circumstance having occurred which has caused or, in the reasonable opinion of the Purchaser, will cause Material Adverse Change; and
- (g) there being no applicable law or regulations which prohibits, restricts or imposes conditions or limitations on, the consummation of any of the Transactions.

The Purchaser may, at its absolute discretion, waive the Conditions set out in paragraphs (a), (b), (d), (e) and/or (f). No other Conditions may be waived. The parties to the SPA currently are not aware of any consents or approvals that need to be obtained.

The parties to the SPA shall use their respective best endeavours to procure the fulfilment of the Conditions on or before the Longstop Date.

As at the date of this joint announcement, Conditions (a) and (d) have been fulfilled.

### **Completion**

Completion shall take place on the first business day after the day on which the last of the Conditions is fulfilled (or otherwise waived, where applicable) (or such other date as may be agreed by the Purchaser and the Vendor in writing).

### **Post Completion Undertakings of the Offeror**

In consideration of the Vendor entering into the SPA, the Offeror unconditionally and irrevocably covenants and undertakes with the Vendor that, throughout the continuance of the SPA and until full and final payment of the Remaining Consideration, among others, the Offeror shall not, and the Purchaser Guarantor shall procure the Offeror shall not, without the prior written consent of the Vendor, procure or permit the Company to (i) offer, allot or issue, or agree to offer, allot, issue (conditionally or unconditionally) any Shares or securities convertible into or exchangeable for equity securities of the Company (whether or not of a class already listed) if such issue would result in the Offeror beneficially ceasing to hold more than 51% of the issued share capital of the Company; (ii) repurchase any Shares or securities of the Company; (iii) offer to or agree to do any of the foregoing or announce any intention to do so; (iv) enter into any credit facility, trust deed, debenture, facility agreement, loan agreement, factoring agreement, guarantee, indemnity or other agreement relating to borrowing ("**Borrowing Arrangement**") (which expression shall include liabilities in respect of all acceptances and discounted instruments and under all debentures, mortgages, charges or other security, all unpaid rental, present or future, under all hire purchase, instalment credit, leasing and similar agreements, the purchase price for all acquisitions payment of which is deferred for three months or more, and all contingent liabilities under all debt purchase and factoring agreements in the event of non-payment of any debt), whether oral or written, or allow the Company to incur any new borrowings save and except such Borrowing Arrangements are made for the purpose of repayment of any indebtedness owed by the Company to the Vendor; or (v) save and except the guarantees and indemnity in existence as at the date of the SPA, give any further guarantee or indemnity for or otherwise secure the liabilities or obligations of any person.

## **POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER**

### **The Offer**

As at the date of this joint announcement, the Offeror and parties acting in concert with it (save and except for the Vendor) do not hold any Shares in the share capital or voting rights of the Company.

Immediately following Completion, the Offeror and parties acting in concert with it will be interested in a total of 450,000,000 Shares, representing 75% of the issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, subject to Completion taking place, the Offeror will be required to make the Offer to acquire all the Offer Shares. As at the date of this joint announcement, the Company has 600,000,000 Shares in issue. The Company has no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the date of this joint announcement.

Subject to Completion, CCB International, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares, on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

### **The Offer Price**

For each Offer Share ..... HK\$2 in cash

The Offer, if and when made, will be unconditional in all respects.

### **Comparisons of value**

The Offer Price of HK\$2 per Offer Share represents:

- (i) a discount of approximately 14.2% to the closing price of HK\$2.33 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 13.0% to the average closing price of approximately HK\$2.298 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 12.0% to the average closing price of approximately HK\$2.274 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 11.9% to the average closing price of approximately HK\$2.269 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;

- (v) a premium of approximately 83.2% over the audited consolidated net asset value of the Company of approximately HK\$1.092 per Share or a premium of approximately 87.1% over the audited consolidated net asset value attributable to owners of the Company of approximately HK\$1.069 (based on 600,000,000 Shares in issue as at the date of this joint announcement) as at 31 December 2017 (being the date to which the latest audited financial results of the Group were made up); and
- (vi) a premium of approximately 86.9% over the unaudited consolidated net asset value of the Company of approximately HK\$1.070 per Share or a premium of approximately 91.0% over the audited consolidated net asset value attributable to owners of the Company of approximately HK\$1.047 (based on 600,000,000 Shares in issue as at the date of this joint announcement) as at 30 June 2018.

### **Highest and lowest Share prices**

During the six-month period immediately prior to and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$2.45 per Share on 7 September 2018 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.95 per Share on 11 June 2018.

### **Value of the Offer**

As at the date of this joint announcement, there are 600,000,000 Shares in issue. Assuming that there is no change in the issued share capital of the Company and on the basis of the Offer Price of HK\$2 per Share, the entire issued share capital of the Company is valued at HK\$1,200,000,000. As the Offeror will hold 450,000,000 Shares upon Completion, 150,000,000 Shares will be subject to the Offer, and the aggregate cash consideration payable by the Offeror under the Offer will be HK\$300,000,000.

### **Confirmation of financial resources**

The Offeror intends to finance the Sale Shares Purchase Price from its internal resources. Upon Completion, the Offeror will hold 75% of the entire issued capital of the Company. As the Offeror will not be considered as public Shareholder and in order to maintain sufficient public float, SHK Investment, the Offeror and Mr Li Xiao Ru as the Offeror's guarantor have entered into a placing and underwriting agreement on 7 November 2018 pursuant to which, SHK Investment agreed to act as the exclusive placing agent and underwriter of the Offeror and SHK Investment shall place and underwrite all the Offer Shares validly tendered for acceptance under the Offer. Please refer to the paragraph headed "Placing and Underwriting Agreement" for further details. CCB International, as the financial adviser to the Offeror, is satisfied that sufficient resources are available to the Offeror to satisfy the amount of funds required for (i) Completion and (ii) full acceptance of the Offer respectively.

### **Dealing and interest in the Company's securities**

Upon Completion, the Purchaser will execute a Share Mortgage in favour of the Vendor as a security for payment of the Remaining Consideration.

Save for the SPA and the above, the Offeror, its ultimate beneficial owners and parties acting in concert with any of them (including the Vendor) have not dealt in nor do they have any shareholding interest in or control any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of this joint announcement.

The Offeror confirms that, save as contemplated under the SPA, as at the date of this joint announcement:

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

### **Effect of accepting the Offer**

By accepting the Offer, Shareholders will sell their tendered Shares to the Offeror free from all encumbrances and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document.

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

## **Payment**

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

## **Hong Kong stamp duty**

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

## **Overseas Shareholders**

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

## **PLACING AND UNDERWRITING AGREEMENT**

Upon Completion, the Offeror will hold 75% of the entire issued capital of the Company. In order to satisfy the public float requirement under the Listing Rules, on 7 November 2018, the Offeror and Mr Li Xiao Ru as the Offeror's guarantor entered into the Underwriting Agreement with SHK Investment, pursuant to which the Offeror has appointed SHK Investment as its placing agent and SHK Investment agrees, during the placing period (i.e. the period commencing upon the commencement date of the Offer and terminating on the seventh Business Day from the closing date of the Offer) on a full underwritten basis to procure purchasers or placees to purchase the Underwritten Shares at HK\$2.00, failing which the Placing Agent shall purchase such remaining Underwritten Shares as principal at HK\$2.00.

In consideration of the services to be provided by SHK Investment, the Offeror shall pay to SHK Investment a commission of three percent (3%) of the amount equal to the placing price multiplied by the total number of the Offer Shares (i.e. HK\$9 million).

The Underwriting Agreement further provides that SHK Investment shall not place any of the Offer Shares to (i) any connected person (as defined under the Listing Rules) of the Company, (ii) person who is not an independent person or (iii) person who, after the placing of such Underwritten Shares by SHK Investment, may no longer be considered as a member of the “public” (as defined under the Listing Rules).

## SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) upon Completion but before the Offer is made:

<i>Substantial Shareholders</i>	<b>As at the date of this joint announcement</b>		<b>Immediately upon Completion but before the Offer is made</b>	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Guang Ming <sup>(Note)</sup>	450,000,000	75%	—	—
The Offeror (and its concert parties (other than Guang Ming))	—	—	450,000,000	75%
Public Shareholders	<u>150,000,000</u>	<u>25%</u>	<u>150,000,000</u>	<u>25%</u>
<b>Total</b>	<u><u>600,000,000</u></u>	<u><u>100%</u></u>	<u><u>600,000,000</u></u>	<u><u>100%</u></u>

*Note:* Guang Ming is owned as to 51% by Mezzo and 49% by six individuals (the “Other Shareholders”), and has corporate interest in long position of 450,000,000 Shares. Mezzo is held as to 100% by Mr Lee Seng Hui. As such, Mr Lee Seng Hui is deemed to have corporate interest in long position of 450,000,000 Shares as at the date of this joint announcement. The Other Shareholders consist of Mr Yuen Shu Wah (an executive Director and the chairman of the Company), Mr Ko Jack Lum (an executive Director), Mr Yuen Shi Ki, Mr Wong Chi Kong, Mr Kwok Wai Kit Victor and Ms Wong Shiu Chun who have direct interests in Guang Ming as to 28.65%, 15.50%, 1.85%, 1.50%, 1.00% and 0.50% respectively. The Other Shareholders have no relationship with Mr Lee Seng Hui other than in respect of their shareholdings in Guang Ming.

## INFORMATION ON THE PARTIES

### The Group

The Company is incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in manufacturing and trading of liquid coatings, powder coating and subcontracting services.

The following table is a summary of certain consolidated financial information of the Group for the two years ended 31 December 2016 and 31 December 2017 as disclosed in the published annual report of the Company and for the six months ended 30 June 2018 and as disclosed in the published interim report of the Company respectively:

	<b>Year ended 31 December 2016</b>	<b>Year ended 31 December 2017</b>	<b>Six months ended 30 June 2018</b>
	(audited)	(audited)	(unaudited)
	(HK\$'000)	(HK\$'000)	(HK\$'000)
<i>Revenue</i>	396,172	374,161	199,119
<i>Profit before taxation</i>	47,837	3,162	8,071
<i>Profit after taxation</i>	42,007	3,191	7,426
	<b>As at 31 December 2016</b>	<b>As at 31 December 2017</b>	<b>As at 30 June 2018</b>
	(audited)	(audited)	(unaudited)
	(HK\$'000)	(HK\$'000)	(HK\$'000)
<i>Net assets attributable to owners of the Company</i>	621,234	641,229	628,072
<i>Net assets</i>	637,270	655,362	642,039

Further financial information of the Group will be set out in the Composite Document to be despatched to the Offer Shareholders.

### **The Offeror group**

The Offeror is a company incorporated in the BVI with limited liability on 18 February 2005. It is an investment holding company. Its assets are solely cash. As at the date of this joint announcement, its ordinary share capital is legally owned as to 51% and 49% by the Purchaser Guarantor and Dr Li Zhong Yuan respectively and the economic interest is beneficially owned as to 80.9524% and 19.0476% by the Purchaser Guarantor and Dr Li Zhong Yuan respectively. Dr Li Zhong Yuan and the Purchaser Guarantor planned to purchase the Sale Shares through the Offeror as an investment vehicle and they therefore acquired the shares in the Offeror at nominal consideration on various occasions. Dr Li Zhong Yuan and the Purchaser Guarantor became the shareholders of the Offeror, and are interested in 49% and 51% of the issued share capital of the Offeror respectively. Dr Li Zhong Yuan and the Purchaser Guarantor subsequently agreed on the funding contribution among themselves which determines their beneficial interest in the Offeror. However, they did not further adjust the number of shares they hold in the Offeror so as to match their respective beneficial interest because the voting rights of the shareholders in the Offeror are based on the number of shares each of them hold in the Offeror and the Purchaser Guarantor already has a majority interest and voting rights in the Offeror in respect of management and decision making process as a matter of statutory control over the Offeror. The return of the Offeror (including dividends and distributions) will be distributed between the shareholders with reference to their respective beneficial interest.

Other than their respective interest in the Offeror, Dr Li Zhong Yuan and the Purchaser Guarantor have no other financial, business or other relationship with each other.

## **FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP**

The Offeror intends to continue the existing principal businesses of the Group and maintain the employment of the operational and administrative employees of the Group (except for the proposed changes to the members of the Board as detailed in the sub-paragraph headed “Proposed change of Board composition” below).

As at the date of this joint announcement, the Offeror intends to nominate Dr Li Zhong Yuan as one of the Directors with effect from the earliest time permitted under the Takeovers Code, the Listing Rules or other applicable regulations. Dr Li Zhong Yuan received a PhD in mathematics from the University of Michigan and was employed as a CLE Moore Instructor at Massachusetts Institute of Technology (M.I.T.) for three years, working in the field of mathematical sciences and their applications. Dr Li Zhong Yuan is experienced in financial services and digital applications in general, and fintech in particular.

The Purchaser Guarantor is the Global Chief Operating Officer of King & Wood Mallesons and he has over 30 years of experience in legal and finance area. He has provided legal services for parties in onshore and offshore acquisitions, mergers and acquisitions and initial public offerings for different companies including state-owned enterprises.

Leveraging on the experience of Dr Li Zhong Yuan in the new economy sector which include financial services; digital applications for retail and quasi-retail in general; and fintech in particular, and subject to the Completion, the Offeror will explore possible business opportunities in the new economy industry for the Group. The Offeror will also conduct a review on the business operations and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review, the Offeror may explore other business opportunities for the Group and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. The Offeror has been reviewing, and in preliminary discussion and negotiations with multiple entities and different parties in the new economy sector to explore possible collaboration opportunities. There has been no concrete result nor has any commercial agreement or understanding been reached. The Offeror will continue to review the market development and put forward for the Company’s consideration should appropriate opportunities arise. In the event that any such opportunities shall materialise, further announcement(s) will be made by the Company in accordance with the Listing Rules.

### **Proposed change of Board composition**

The Board is currently made up of three executive Directors, two non-executive Directors and three independent non-executive Directors. At the time of Completion, the Vendor shall cause all the Directors (except Mr Kong Muk Yin (“**Mr Kong**”)) to give notice to resign as Directors with effect from the earliest time permitted under the Takeovers Code. Mr Kong has been an non-executive Director and the company secretary of the Company since the listing of Shares in the Company on 1 December 2015. As an non-executive Director with

professional qualifications in accounting and finance, Mr Kong primarily participates in the meetings of the Board to bring another perspective to issues of strategy, performance, accountability, resources, key appointments and standards of conduct and transactions which are material to the Group as and when required. In addition, given his role and experience as the company secretary of the Company, Mr Kong is familiar with the internal communication channels and corporate organisation of the Group. As such, the Offeror reasonably believes that the continued appointment of Mr Kong will assist in the smooth transition of business of the Company and may assist the proposed new Directors and management in managing the internal operation of the Group.

As at the date of this joint announcement, the Offeror intends to nominate Dr Li Zhong Yuan and is considering other potential candidates for nomination as Directors with effect from the earliest time permitted under the Takeovers Code, the Listing Rules or other applicable regulations. Further announcement(s) will be made upon any changes to the composition to the Board in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

### **Public float and maintaining the listing status of the Company**

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer and will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.

If, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all times, 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,

then, it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

### **GENERAL**

#### **Independent Board Committee and independent financial adviser**

The Independent Board Committee comprising all non-executive Directors and all independent non-executive Directors, namely Dato' Wong Peng Chong, Mr Kong Muk Yin, Dr Chui Hong Sheung JP, Mr Cheung Chi Wai Vidy and Mr Yue Kwai Wa Ken, who have no direct or indirect interest in the Offer, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to advise the Offer Shareholders in respect of the Offer, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

An independent financial adviser will be appointed pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. Further announcement(s) will be made by the Company as soon as possible after the appointment of the independent financial adviser.

### **Despatch of the Composite Document**

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, *inter alia*, the terms of the Offer, together with the acceptance and transfer form, should be posted to the Shareholders within 21 days of the date of this joint announcement.

Subject to Completion, the Offeror and the Company intend that the Composite Document in connection with the Offer setting out, *inter alia*, details of the Offer (including the expected timetable and terms of the Offer and accompanied by the acceptance and transfer form), a letter from the Independent Board Committee and a letter from the independent financial adviser in relation to the Offer will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code in due course.

### **Disclosure of dealings**

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of 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 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 HK\$1 million.*

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

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

## RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 8 November 2018 pending the release of this joint announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 14 November 2018.

**WARNING: THE OFFER WILL ONLY BE MADE IF COMPLETION TAKES PLACE. THE COMPLETION IS SUBJECT TO FULFILLMENT AND/OR WAIVER, AS APPLICABLE, OF THE CONDITIONS CONTAINED IN THE SPA. ACCORDINGLY, THE OFFER MAY OR MAY NOT BE MADE. THE ISSUE OF THIS JOINT ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE OFFER WILL BE MADE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE RELEVANT SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT A LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.**

## DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a business day is a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCB International”	CCB International Capital Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror
“Company”	Manfield Chemical Holdings Limited (萬輝化工控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the SPA
“Completion Date”	the date on which Completion is required to take place

“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code
“Director(s)”	the director(s) of the Company
“Encumbrance(s)”	(i) any mortgage, charge, pledge, lien, hypothecation, encumbrances or other security arrangement of any kind; (ii) any option, equity, claim, adverse interest or other third party right of any kind; (iii) any arrangement by which any right is subordinated to any right of such third party; or (iv) any contractual right of set-off, including any agreement or commitment to create or procure to create, or to permit or suffer to be created or subsisted any of the above
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board, comprising Dato’ Wong Peng Chong, Mr Kong Muk Yin, Dr Chui Hong Sheung JP, Mr Cheung Chi Wai Vidy, and Mr Yue Kwai Wa Ken formed for the purpose of advising the Offer Shareholders in respect of the Offer
“Independent Third Party(ies)”	person(s) or company(s) who/which is/are not connected with the Directors, chief executive or substantial shareholders (as defined under the Listing Rules) of the Company or any of its subsidiaries, or any of their respective associates
“Last Trading Day”	7 November 2018, the last trading day for the Shares prior to the trading halt of the Shares pending publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	7 December 2018 (or such later date as may be agreed between the Vendor and the Purchaser in writing)
“Main Board”	the main board maintained and operated by the Stock Exchange

“Material Adverse Change”	a material adverse change in or affecting the assets, liabilities, business, results of operations or performance of the Group, taken as a whole, whether or not arising in the ordinary course of business
“Material Warranties”	certain warranties contained in the SPA given by the Vendor regarding the net asset value of the Group, the Sale Shares and capacity of the Vendor, the share capital and registered capital of the Company, and the litigation of the Group
“Mezzo”	Mezzo International Limited, a company incorporated in the BVI on 17 May 2010 with limited liability, a company wholly-owned by Mr Lee Seng Hui
“Offer”	the mandatory unconditional cash offer to be made by CCB International on behalf of the Offeror (and parties acting in concert with it) in accordance with the Takeovers Code for the Offer Shares subject to Completion having taken place
“Offer Period”	has the meaning given to it in the Takeovers Code
“Offer Price”	HK\$2 per Offer Share in respect of the Offer
“Offer Share(s)”	all the Share(s) in issue, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offer Shareholder(s)”	holder(s) of Offer Share(s)
“Offeror” or “Purchaser”	Timenew Limited, a company incorporated in the BVI with limited liability on 6 January 2005 and the beneficial owners of which are the Purchaser Guarantor and Dr Li Zhong Yuan who are beneficially interested in 80.9524% and 19.0476% of the entire issued share capital of Timenew Limited respectively
“Overseas Shareholders”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PRC”	the People’s Republic of China but excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Purchaser Guarantor”	Mr Li Xiao Ru, a director and shareholder of the Purchaser
“Sale Shares”	450,000,000 Shares, representing 75% of the total issued share capital of the Company as at the date of this joint announcement, to be sold by the Vendor to the Purchaser subject to and conditional upon the terms of the SPA, and each a “Sale Share”

“Sale Shares Purchase Price”	the total consideration in the sum of HK\$900,000,000 for the Sale Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Share Mortgage”	the deed of share mortgage to be executed by the Offeror as the mortgagor in favour of the Vendor as mortgagee over the Sale Shares at Completion
“Shareholder(s)”	registered holder(s) of the Shares
“SHK Investment”	Sun Hung Kai Investment Services Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“SPA”	the conditional agreement dated 7 November 2018 entered into among the Vendor, the Purchaser and the Purchaser Guarantor in respect of the Transactions
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“trading day(s)”	means days on which the Stock Exchange is open for the business of dealing in securities
“Transactions”	transactions contemplated under the SPA
“Underwriting Agreement”	the placing and underwriting agreement dated 7 November 2018 entered into by the Purchaser as offeror, the Purchaser Guarantor as offeror’s guarantor and SHK Investment as the placing agent in respect of the placing and underwriting of the Underwritten Shares
“Underwritten Shares”	the Offer Shares validly tendered by the Offer Shareholders under the Offer, which are fully underwritten by SHK Investment pursuant to Underwriting Agreement

“Vendor” or “Guang Ming” Guang Ming Holdings Limited, a company incorporated in the BVI on 28 March 2014 with limited liability, a company owned as to approximately 51% by Mezzo and 49% by six individuals who are Mr Yuen Shu Wah (an executive Director and the chairman of the Company), Mr Ko Jack Lum (an executive Director), Mr Yuen Shi Ki, Mr Wong Chi Kong, Mr Kwok Wai Kit Victor and Ms Wong Shiu Chun who have direct interests in Guang Ming as to 28.65%, 15.50%, 1.85%, 1.50%, 1.00% and 0.50% respectively.

“%” per cent

By order of the board of directors of  
**Timenew Limited**  
**Li Xiao Ru**  
*Director*

By order of the Board of  
**Manfield Chemical Holdings Limited**  
**Yuen Shu Wah**  
*Chairman*

Hong Kong, 13 November 2018

*As at the date of this joint announcement, the Board comprises three executive Directors, namely, Mr Yuen Shu Wah, Mr Ko Jack Lum and Mr Ng Kai On; two non-executive Directors, namely Dato’ Wong Peng Chong and Mr Kong Muk Yin; and three independent non-executive Directors, namely, Dr Chui Hong Sheung JP, Mr Cheung Chi Wai Vidy and Mr Yue Kwai Wa Ken.*

*All 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 inquiries, 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 omissions of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, the directors of the Offeror are Mr Li Xiao Ru and Dr Li Zhong Yuan. The directors of the Offeror accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Group, the Vendor and parties acting in concert with them (excluding the Offeror)) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group, the Vendor and parties acting in concert with them (excluding the Offeror)) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, the directors of the Vendor are Mr Yuen Shu Wah, Mr Ko Jack Lum, Mr Ng Kai On, Dato’ Wong Peng Chong and Mr Kong Muk Yin. The directors of the Vendor accept full responsibility for the accuracy of the information*

*contained in this joint announcement (other than information relating to the Group, the Offeror and parties acting in concert with them (excluding the Vendor)) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group, the Offeror and parties acting in concert with them (excluding the Vendor)) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.*